MISSOURI HOUSING DEVELOPMENT COMMISSION

INDEPENDENT AUDITORS' REPORT

AND FINANCIAL STATEMENTS

FISCAL YEARS ENDED

JUNE 30, 2021 AND 2020

Strength, Dignity, Quality of Life

MISSOURI HOUSING

DEVELOPMENT COMMISSION

Contents

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Independent Auditors' Report

The Commissioners
Missouri Housing Development Commission
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Missouri Housing Development Commission, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Missouri Housing Development Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Missouri Housing Development Commission as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, as of July 1, 2019, the Missouri Housing Development Commission adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of Commission's proportionate share of the net pension and OPEB liability and schedules of Commission's contributions on pages 4 through 14 and 65 and 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Missouri Housing Development Commission's basic financial statements. The accompanying supplementary information, which includes the combining statement of net position; combining statement of net position multifamily bond-financed programs; combining statement of net position single family bond-financed programs; combining statement of revenues, expenses and changes in net position; combining statement of revenues, expenses and changes in net position multifamily bond-financed programs; and the combining statement of revenues, expenses and changes in net position single family bond-financed programs, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RubinBrown LLP

September 28, 2021

Management's discussion and analysis provides an overview of the financial activities of the Missouri Housing Development Commission (Commission) and its financial performance for the fiscal years ended June 30, 2021 and 2020. Please read it in conjunction with the Commission's financial statements and accompanying notes.

Introduction - Missouri Housing Development Commission

The Missouri Housing Development Commission was established by the 75th Missouri General Assembly in 1969 and is the housing finance agency for the state of Missouri (State). The Commission is a self-sustaining organization and does not draw upon the general taxing authority of the State. The Commission secures resources through the sale of bonds and notes and through the sale of mortgage assets, for the purposes of financing owner-occupied residential mortgage loans for lower and moderate-income persons and providing construction and long-term financing for rental developments to be occupied by lower and moderate-income persons. The Commission's net position is also a source of funding for such loans and other housing-related programs.

The Commission manages other programs related to its housing finance activities, including administering the Missouri Housing Trust Fund, the Missouri Affordable Housing Assistance Program and the housing tax credits for the State. The Commission also administers federal and other assistance programs, including U.S. Department of the Treasury emergency rental and homeowner assistance, the HOME Investment Partnerships Program (HOME) and contracts for the Project-Based Section 8 program, which provide rental subsidies.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis; the basic financial statements, including notes to the financial statements; and required and other supplementary information. The basic financial statements include the statement of net positon, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The Commission is a self-supporting entity and follows enterprise fund reporting, using the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Commission.

Financial Highlights

The following financial highlights provide important aspects regarding the Commission's financial activities and operations, with additional discussion provided in this discussion and analysis. This information should be considered in conjunction with the detail provided in the financial statements, accompanying notes and supplementary information.

Fiscal Year Ended June 30, 2021

- Total assets were $2.3 billion, an increase of 12.2% from June 30, 2020. The increase includes receipts of federal stimulus funds for which advanced deposits totaled $321.5 million at June 30, 2021.

- Fiscal year 2021 mortgage investment purchases and originations totaled $221.9 million as compared to $343.1 million in fiscal year 2020. Principal repayments on mortgage assets and proceeds from the sale of mortgage assets totaled $292.8 million in fiscal year 2021 as compared to $204.2 million in fiscal year 2020.

- Revenue bonds issued totaled $230.3 million in fiscal year 2021 and totaled $375.5 million in fiscal year 2020.

- Total revenues were $250.3 million in fiscal year 2021. Excluding the net change in fair value of investments, total revenues increased 11.6% to $274.4 million in fiscal year 2021. Revenues from federal and other assistance programs were $199.1 million in fiscal year 2021 as compared to $164.7 million in fiscal year 2020.

- Net operating income, excluding the net change in fair value of investments, was $25.5 million in fiscal year 2021 as compared to $27.6 million in fiscal year 2020. Excluding federal and other assistance programs and the net change in fair value of investments, net operating income was $22.4 million in fiscal year 2021 as compared to $23.3 million in fiscal year 2020.

- Net position increased $1.4 million (0.16%) as of June 30, 2021. Excluding the change in fair value of investments, net position increased $19.1 million (2.4%) as of June 30, 2021.

Fiscal Year Ended June 30, 2020

- Total assets were $2.1 billion, an increase of 9.8% from June 30, 2019. The increase primarily reflects growth in single family mortgage investments for which new production exceeded loan pay downs and prepayments.

- Fiscal year 2020 mortgage investment purchases and originations totaled $343.1 million as compared to $253.6 million in fiscal year 2019. Principal repayments on mortgage assets and proceeds from the sale of mortgage assets totaled $204.2 million in fiscal year 2020 as compared to $170.0 million in principal repayments in fiscal year 2019.

- Revenue bonds issued totaled $375.5 million in fiscal year 2020 and totaled $190.0 million in fiscal year 2019.

- Total revenues were $273.8 million in fiscal year 2020. Excluding the net change in fair value of investments, total revenues increased 7.2% to $246.0 million in fiscal year 2020. Revenues from federal and other assistance programs were $164.7 million in fiscal year 2020 as compared to $156.0 million in fiscal year 2019.

- Net operating income, excluding the net change in fair value of investments, was $27.6 million in fiscal year 2020 as compared to $22.2 million in fiscal year 2019. Excluding federal and other assistance programs and the net change in fair value of investments, net operating income was $23.3 million in fiscal year 2020 as compared to $19.7 million in fiscal year 2019.

- Net position increased $55.5 million (7.1%) as of June 30, 2020. Excluding the change in fair value of investments, net position increased $26.3 million (3.4%) as of June 30, 2020.

The Commission has maintained a general obligation issuer credit rating from Standard and Poor's Ratings Services of AA+ with a stable outlook. This rating was affirmed July 12, 2021.

Financial Position

The following table summarizes the Commission's current, restricted and noncurrent assets, deferred outflows of resources, liabilities and deferred inflows of resources. The table also displays restricted and unrestricted net position as of June 30, 2021, 2020 and 2019.

Condensed Summary of Net Position (In Thousands)

	June 30,			$ change	
	2021	**2020**	**2019**	**2021 - 2020**	**2020 - 2019**
Assets					
Current assets	$ 38,407	$ 63,664	$ 66,073	$ (25,257)	$ (2,409)
Restricted cash and cash equivalents	430,263	88,952	77,964	341,311	10,988
Restricted investments	102,826	89,541	93,817	13,285	(4,276)
Restricted mortgage investments	1,444,030	1,525,000	1,358,795	(80,970)	166,205
Other restricted assets	4,172	4,663	4,424	(491)	239
Capital assets	2,233	2,129	1,571	104	558
Other	313,820	308,201	293,308	5,619	14,893
Total Assets	2,335,751	2,082,150	1,895,952	253,601	186,198
Deferred Outflows of Resources	4,126	4,646	5,051	(520)	(405)
Liabilities					
Current liabilities	31,445	65,256	61,587	(33,811)	3,669
Current liabilities - payable from restricted assets	362,695	48,705	39,309	313,990	9,396
Long-term bonds and notes payable	1,071,281	1,099,517	982,069	(28,236)	117,448
Other	30,723	30,240	30,651	483	(411)
Total Liabilities	1,496,144	1,243,718	1,113,616	252,426	130,102
Deferred Inflows of Resources	2,820	3,544	3,335	(724)	209
Net Position					
Net investment in capital assets	2,233	2,129	1,571	104	558
Restricted	547,001	558,904	511,639	(11,903)	47,265
Unrestricted	291,679	278,501	270,842	13,178	7,659
Total Net Position	$ 840,913	$ 839,534	$ 784,052	$ 1,379	$ 55,482

The cost-basis of assets at totaled $2.3 billion at June 30, 2021 as compared to $2.0 billion and $1.9 billion at June 30, 2020 and June 30, 2019, respectively. At June 30, 2021, restricted cash and cash equivalents includes deposit balances of $307.8 million in rental assistance received in accordance with the Consolidated Appropriations Act and $13.7 million homeowner assistance funds received in accordance with American Rescue Plan Act.

The Commission implemented GASB Statement No. 84, *Fiduciary Activities*. This Statement set forth criteria for identification of fiduciary activities and established standards for accounting and financial reporting those activities. The Commission identified its fiduciary activities in its management of mortgagor escrow funds. As a result of implementation, the financial information as of June 30, 2019 was restated, increasing the Commission's enterprise fund net position by $8,000 and the establishment of beginning net position in Custodial Fund restricted for mortgagors of $126,755,000.

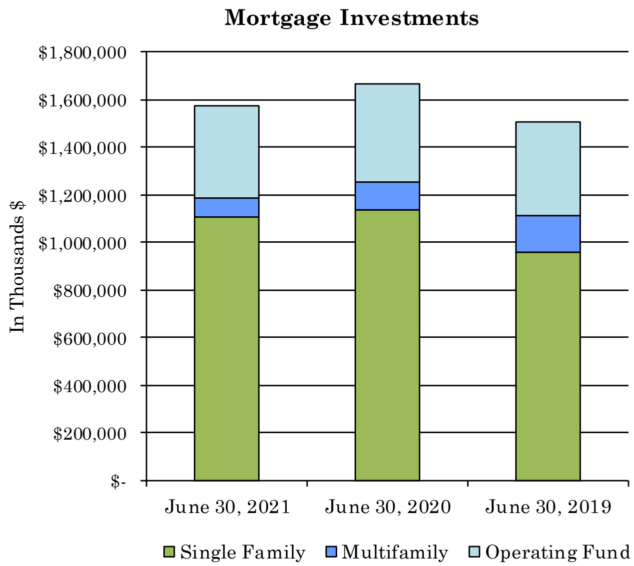
Investments

Investments consist of U.S. government and agency fixed rate securities. The Commission's investment policy emphasizes preservation of principal. At June 30, 2021, the Commission had $307.8 million in investments as compared to $297.5 million at June 30, 2020 and $286.9 million at June 30, 2019.

Mortgage Investments

The Commission's mortgage investments decreased 5.4% during fiscal year 2021. Mortgage investments comprised 67.4% of the Commission's total assets at June 30, 2021 as compared to 79.9% at June 30, 2020 and 79.4% at June 30, 2019. Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) mortgage-backed securities (MBS) comprise 72.3% of the Commission's mortgage investments at June 30, 2021 compared to 72.1% at June 30, 2020 and 67.6% at June 30, 2019. In fiscal year 2021 new loans totaled $221.9 million, with mortgage asset sales, payment and prepayment activity and change in fair value resulting in a net decrease of $90.2 million in the mortgage investment portfolio. The Commission's loan portfolio is low-risk, with all of the bond-financed homeownership loan investment portfolio being GNMA, Fannie Mae and Freddie Mac MBS and its bond-financed multifamily loan portfolio, excluding conduit debt, backed by Federal Housing Administration (FHA) insurance, including Risk-Share loans. The Commission's loan loss reserve was 8.5% of total mortgage assets, excluding MBS, at June 30, 2021 as compared to 8.0% at June 30, 2020 and 8.0% at June 30, 2019, which is allocated to uninsured loans, Risk-Share loans and related accrued interest on such loans.

The composition of mortgage investments among operating fund loans, multifamily bond-financed programs and single family bond-financed programs at June 30, 2021, 2020 and 2019 is depicted in the following chart:



The Commission's operating fund mortgage investments include mortgage-backed securities and loans financed with fund balances (net position) and Federal Home Loan Bank (FHLB) advances. These mortgage investments total $172.3 million at June 30, 2021, as compared to $203.5 million at June 30, 2020 and $190.7 million at June 30, 2019. The operating fund mortgage investments also include loans financed by the federal HOME program totaling $228.5 million at June 30, 2021, as compared to $221.3 million at June 30, 2020 and $219.7 million at June 30, 2019. In addition, the operating fund loans at June 30, 2021 include $27.3 million in loans financed by the federal Tax Credit Assistance Program (TCAP), as compared to $27.7 million at June 30, 2020 and $28.0 million at June 30, 2019.

The Commission's multifamily loan portfolio includes FHA-insured Risk-Share mortgage loans, in which the Commission participates in 50% of the insured risk. These loans totaled $63.7 million at June 30, 2021, $83.5 million at June 30, 2020 and $112.9 million at June 30, 2019. The Commission's multifamily loan portfolio also includes conduit loans, which totaled $28.4 million at June 30, 2021, $38.3 million at June 30, 2020 and $39.8 million at June 30, 2019. The conduit loans are financed by the borrowers with limited obligation revenue bonds.

The Commission provides financing for single family mortgages eligible for GNMA, Fannie Mae, and Freddie Mac securitization. The Commission currently provides eligible homebuyers with mortgage loans financed by the Commission's first-time homebuyer bond programs (First Place loans) for which the MBS are initially purchased for the Commission's warehouse funded by short-term FHLB advances or net position and ultimately financed by the proceeds of tax-exempt bonds issued by the Commission. First Place MBS purchases totaled $180.8 million, $310.1 million and $226.5 million in fiscal years 2021, 2020 and 2019, respectively. Fluctuations reflect first time home purchase activity which is impacted by economic conditions, availability of homes and other factors.

The Commission finances eligible homebuyers, including non-first time homebuyers, with mortgage loans (Next Step program) financed at predetermined daily prices via the To-Be-Announced (TBA) market in accordance with an agreement with a third-party administrator. Next Step MBS delivered totaled $41.1 million in fiscal year 2021, $42.7 million in fiscal year 2020 and $36.5 million in fiscal year 2019.

Debt

At June 30, 2021, the Commission had $1.1 billion in bonds and notes outstanding as compared to $1.2 billion outstanding at June 30, 2020 and $1.1 billion outstanding at June 30, 2019. Bonds and notes include short-term FHLB advances used to fund the Commission's warehousing of First Place homeownership program mortgage-backed securities in advance of selling mortgage revenue bonds. There were advances totaling $27.5 million outstanding at June 30, 2021 as compared to $61.5 million at June 30, 2020 and $51.9 million at June 30, 2019.

The decrease in debt during fiscal year 2021 resulted from bond redemptions as a result of mortgage prepayments and efforts to pay down outstanding debt with available pledged assets offset by new debt issuances. During fiscal year 2021, new debt issued included four single family mortgage revenue bond series which totaled $213.4 million. In addition, fiscal year 2021 multifamily bond financings included a $5.5 million conduit issue and refunding bonds totaling $11.5 million. The Commission's single family and multifamily housing bonds are rated AA+ with a stable outlook by Standard and Poor's. The conduit bonds issued during the current year are unrated. For additional information, see *Note 5*, Bonds Payable and Long-Term Obligations, in the Notes to Financial Statements.

Net Position

The Commission continues to demonstrate a strong financial position. Net position, excluding unrealized gains and losses, was $811.4 million at June 30, 2021, $792.3 million at June 30, 2020 and $766.0 million at June 30, 2019, representing growth of 2.4% in fiscal year 2021 and 3.4% in fiscal year 2020. A significant portion of the Commission's net position is restricted by bond indentures, grant agreements and other legal requirements. Restricted net position totaled $547.0 million at June 30, 2021 compared to $558.9 million at June 30, 2020 and $511.6 million at June 30, 2019. In addition, the Commission has designated certain unrestricted net position for its affordable housing programs. The amounts designated were $233.8 million at June 30, 2021, $260.3 million at June 30, 2020 and $229.8 million at June 30, 2019. Net position provides liquidity and capital adequacy to support the Commission's general obligations and commitments, such as the Commission's general obligation bonds and participation in the U.S. Department of Housing and Urban Development (HUD) Risk-Share Program, that are secured by the Commission's full faith and credit.

Operating Activities

The following table summarizes the Commission's revenues, expenses and changes in net position for fiscal years 2021, 2020 and 2019.

Condensed Summary of
Revenues, Expenses and Changes in Net Position (In Thousands)

				$ change	
	2021	**2020**	**2019**	**2021 - 2020**	**2020 - 2019**
Operating Revenues					
Interest and investment income	$ 34,728	$ 93,482	$ 78,144	$ (58,754)	$ 15,338
Grants and federal assistance	199,062	164,695	156,001	34,367	8,694
Other	16,545	15,665	14,871	880	794
Total Operating Revenues	250,335	273,842	249,016	(23,507)	24,826
Operating Expenses					
Interest expense	29,901	32,900	30,994	(2,999)	1,906
Compensation and administrative expenses	14,910	15,560	14,738	(650)	822
Grants and federal assistance	196,018	160,404	153,501	35,614	6,903
Other	8,767	10,761	8,032	(1,994)	2,729
Total Operating Expenses	249,596	219,625	207,265	29,971	12,360
Income before transfers from Custodial Funds	739	54,217	41,751	(53,478)	12,466
Transfers from Custodial Funds	640	1,265	—	(625)	1,265
Change in Net Position	$ 1,379	$ 55,482	$ 41,751	$ (54,103)	$ 13,731

The Commission continues to exhibit healthy financial activity. Total revenues fluctuated primarily due to changes in grants and federal assistance and changes in fair value with overall decrease in fiscal year 2021 and an overall increase during fiscal year 2020. Excluding the effects of fair value reporting:

- Revenues totaled $274.4 million, $246.0 million and $229.4 million in fiscal years 2021, 2020 and 2019, respectively.

- The change in net position was an increase of $19.1 million in fiscal year 2021, $26.3 million in fiscal year 2020 and $21.2 million in fiscal year 2019, demonstrating continued financial strength.
- The return on average equity and the return on average assets, excluding conduit bond-financed assets, were 2.4% and 0.9%, respectively for fiscal year 2021. This compares to 3.4% and 1.4%, respectively, for fiscal year 2020 and 2.8% and 1.2%, respectively, for fiscal year 2019.

Revenues

Interest and investment income totaled $34.7 million in fiscal year 2021 as compared to $93.5 million in fiscal year 2020 and $78.1 million in fiscal year 2019. This income includes a net decrease in fair value of $24.1 million in fiscal year 2021 and an increase in fair value of $27.9 million in fiscal year 2020, and an increase in fair value of $19.6 million in fiscal year 2019. Changes in the fair value of the Commission's portfolio of mortgage-backed securities and other investments result from fluctuations in interest rates and other market factors. Without the fair value adjustments, interest and investment income totaled $58.8 million in fiscal year 2021 (a 10.0% decrease in fiscal year 2021), as compared to $65.6 million in fiscal year 2020 and $58.5 million in fiscal year 2019 (an increase of 12.1% in fiscal year 2020). Depending on future financial markets, interest rate fluctuations and thus, changes in the fair value of investments and mortgage-backed securities reported, are expected to have continuing material effects on the Commission's financial statements.

Other operating revenues include $6.4 million, $6.1 million and $6.0 million in administration fee income for fiscal years 2021, 2020 and 2019, respectively. These fees are predominantly related to the Commission's administration of federal programs. In addition, other operating revenues for fiscal year 2021 included $724,000 in fee income for MBS delivered in accordance with the Commission's daily pricing agreement for its Next Step single family loan program. This fee income was $929,000 for fiscal year 2020 and $714,000 for fiscal year 2019.

Grants and Federal Assistance

Federal and other assistance program revenues and expenses represent activity related to projects funded by HUD (including Project-Based Section 8 and HOME), federal programs provided in response to the COVID-19 pandemic and other housing programs. These revenues totaled $199.1 million in fiscal year 2021 as compared to $164.7 million in fiscal year 2020 and $156.0 million in fiscal year 2019 while expenses incurred were $196.0 million in fiscal year 2021, $160.4 million in fiscal year 2020 and $153.5 million in fiscal year 2019. Grant revenues in fiscal year 2021 increased primarily due to additional federal funding, including $15.6 million revenue for the Emergency Solutions Grant provided by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and $16.4 million grant revenue recognized for emergency rental assistance provided by the Consolidated Appropriations Act. Grant revenues in fiscal year 2020 increased primarily due to an increase in Project-Based Section 8 assistance and the addition of Housing Trust Fund program funding. Project-Based Section 8 revenues totaled $157.4 million, $152.8 million and $147.0 million in fiscal years 2021, 2020 and 2019, respectively. HOME funding has varied reflecting timing of awards and disbursements and totaled $5.1 million in fiscal year 2021 as compared to $6.5 million in fiscal year 2020 and $5.2 million in fiscal year 2019. These programs, along with tax credit programs, are integral to the Commission's achievement of its objectives. The Commission is providing significant housing assisting by administering the federal stimulus programs provided in response to the pandemic. The Commission continues to effectively use ongoing federal government and other programs that serve its mission utilizing those that provide resources that leverage its net position and other resources to finance affordable multifamily and owner-occupied housing for Missourians as well as provide housing assistance to very low-income Missourians.

Expenses

Interest costs were $29.9 million for fiscal year 2021 as compared to $32.9 million for fiscal year 2020 (a decrease of 9.1% in fiscal year 2021) and $31.0 million in fiscal year 2019 (an increase of 6.2% in fiscal 2020). The decrease in fiscal year 2021 resulted from a decrease in bonds and notes outstanding of $69.7 million and the increase in fiscal year 2020 resulted primarily due to an increase of $123.5 million in bonds and notes outstanding. Bond redemptions result from mortgage prepayments. In addition, during fiscal year 2021 the Commission issued multifamily refunding bonds and paid down optionally callable bonds with available indenture assets to reduce interest costs.

Beyond the costs associated with debt financing, the Commission's chief operating costs consist of compensation, facilities rent, information systems, professional services and travel expenses. These costs totaled $14.9 million in fiscal year 2021 as compared to $15.6 million in fiscal year 2020 and $14.7 million in fiscal year 2019. Fiscal year 2021 costs include pension benefit costs of $2.2 million as compared to $3.3 million in fiscal year 2020 and $2.9 million in fiscal year 2019. Excluding the net change in the fair value of investments, operating costs represented 5.4% of revenues in fiscal year 2021 as compared to 6.3% of revenue in fiscal year 2020 and 6.4% of revenues in fiscal year 2019.

Economic and Other Factors

The Commission's programs and activities are subject to economic and other factors that may affect the Commission's financial position and operations. In the coming year, changes in interest rates and market conditions can be expected to impact investment earnings and in particular, may result in significant fluctuations in the fair value of investments and mortgage-backed securities. The ongoing coronavirus (COVID-19) pandemic impacts economic conditions, creating uncertainty and potential volatility in financial and business activities. The impact on the Commission's operations and financial condition will depend on future developments, including the duration and severity of the pandemic as well as the extent of federal stimulus programs.

The level of lending activity in the Commission's single family programs is impacted by economic conditions, including the availability of single family homes for sale. The Commission expects to continue to finance its First Place mortgage program primarily with tax-exempt bond proceeds. In addition, the Commission plans to continue to deliver Next Step program mortgage-backed securities via the TBA market. Changes in interest rates and market conditions may impact the Commission's financing of its homeownership programs, including sales in the TBA market as an alternative for financing in the tax-exempt bond market.

In August 2021, the Commission received deposit of federal funds totaling $107,860,000 provided pursuant to the American Rescue Plan Act of 2021. These funds are available to provide emergency rental assistance.

The Commission administers the Project-Based Section 8 program in the State through a contract with HUD, which results in over $150 million in housing assistance payment revenue and expense activity annually. The current contract terminates January 31, 2022. HUD may extend the current contract term and is expected to competitively bid this program administration at a future time.

Contacting the Commission's Financial Management

This financial report is designed to provide the Commission's stakeholders with a general overview of the Commission's finances and to demonstrate accountability of resources. Questions about this report or inquiries for additional financial information may be directed to the Director of Finance at the Missouri Housing Development Commission, 920 Main Street, Suite 1400, Kansas City, Missouri, 64105 or visit the Commission's website at www.mhdc.com.

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF NET POSITION
(In Thousands)

	June 30, 2021	2020
Assets		
Current Assets		
Cash and cash equivalents	**$ 12,658**	$ 16,415
Investments	**4,998**	21,401
Mortgage investments	**16,169**	17,576
Accrued interest receivable	**2,065**	2,138
Accounts receivable - other	**2,178**	1,302
Real estate owned	**—**	4,500
Prepaid expenses	**339**	332
Total Current Assets	**38,407**	63,664
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	**430,263**	88,952
Investments	**102,826**	89,541
Mortgage investments	**1,444,030**	1,525,000
Accrued interest receivable	**4,172**	4,578
Accounts receivable - other	**—**	85
Total restricted assets	**1,981,291**	1,708,156
Investments	**199,974**	186,578
Mortgage investments, net of current portion and allowances for loan losses of $40,523 and $40,197, respectively	**113,846**	121,623
Accounts receivable - other	**—**	—
Capital assets, less accumulated depreciation of $4,546 and $3,998, respectively	**2,233**	2,129
Total Noncurrent Assets	**2,297,344**	2,018,486
Total Assets	**2,335,751**	2,082,150
Deferred Outflows of Resources		
Refunding of debt	**797**	836
Pension	**2,751**	3,268
Other Postemployment Benefits (OPEB)	**578**	542
Total Deferred Outflows of Resources	**4,126**	4,646

STATEMENT OF NET POSITION *(Continued)*
(In Thousands)

	June 30, 2021	June 30, 2020
Liabilities		
Current Liabilities		
Bonds and notes payable	**$ 27,474**	$ 61,521
Accrued interest payable	**3**	9
Accounts payable	**2,650**	2,371
Unearned revenue	**1,318**	1,355
Total Current Liabilities	**31,445**	65,256
Current Liabilities - Payable from Restricted Assets		
Bonds and notes payable	**35,486**	41,965
Accrued interest payable	**5,426**	6,194
Federal housing subsidy and other deposits	**321,374**	338
Accounts payable	**409**	208
Total Current Liabilities - Payable from Restricted Assets	**362,695**	48,705
Noncurrent Liabilities		
Pension	**17,740**	17,324
Other Postemployment Benefits (OPEB)	**5,452**	5,451
Unearned revenue	**7,531**	7,465
Payable from restricted assets		
Bonds and notes payable	**1,071,281**	1,099,517
Total Noncurrent Liabilities	**1,102,004**	1,129,757
Total Liabilities	**1,496,144**	1,243,718
Deferred Inflows of Resources		
Refunding of debt	**1,111**	1,866
Pension	**763**	858
Other Postemployment Benefits (OPEB)	**946**	820
Total Deferred Inflows of Resources	**2,820**	3,544
Net Position		
Net investment in capital assets	**2,233**	2,129
Restricted	**547,001**	558,904
Unrestricted, including designated balances	**291,679**	278,501
Total Net Position	**$ 840,913**	$ 839,534

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (In Thousands)

	For the Years Ended June 30, 2021	2020
Operating Revenues		
Interest and investment income		
Income - mortgage investments	**$ 54,992**	$ 58,380
Income - investments	**3,810**	7,242
Net increase (decrease) in fair value	**(24,074)**	27,860
Total interest and investment income	**34,728**	93,482
Income - MBS sales	**724**	929
Administration fees	**6,440**	6,130
Other income	**9,381**	8,606
Federal program income	**199,062**	164,695
Total Operating Revenues	**250,335**	273,842
Operating Expenses		
Interest expense on bonds	**29,901**	32,900
Bond debt expense and other fees	**2,576**	4,462
Compensation	**10,429**	10,933
General and administrative expenses	**4,481**	4,627
Rent and other subsidy payments	**3,335**	2,862
Missouri Housing Trust Fund grants	**2,856**	3,437
Federal program expenses	**196,018**	160,404
Total Operating Expenses	**249,596**	219,625
Income before transfers from Custodial Funds	**739**	54,217
Transfers from Custodial Funds	**640**	1,265
Change in Net Position	**1,379**	55,482
Net Position - Beginning of Year	**839,534**	784,044
Cumulative effect of Accounting Change	**—**	8
Net Position - Beginning of Year, as Restated	**839,534**	784,052
Net Position - End of Year	**$ 840,913**	$ 839,534

STATEMENT OF CASH FLOWS
(In Thousands)

	For the Years Ended June 30, 2021	2020
Cash Flows from Operating Activities		
Interest received on mortgage investments	**$ 55,369**	$ 58,117
Fees, charges and other	**14,061**	10,771
Principal repayments on mortgage loans	**285,653**	190,944
Proceeds from sale of mortgage investments	**7,160**	13,227
Disbursements of mortgage loans	**(221,918)**	(343,057)
Federal assistance receipts	**520,098**	164,694
Federal assistance disbursed	**(196,018)**	(160,404)
Collection of compliance and origination fees	**6,222**	4,830
Cash payments for compensation, administrative and other costs	**(12,801)**	(12,928)
Other operating payments	**(8,127)**	(9,496)
Net Cash Provided by (Used in) Operating Activities	**449,699**	(83,302)
Cash Flows from Noncapital Financing Activities		
Retirement of principal on bonds and notes	**(431,268)**	(462,862)
Proceeds from issuance of bonds and notes	**369,649**	599,474
Interest paid on bonds and notes	**(38,693)**	(40,146)
Change in escrow deposits	**—**	413
Net Cash Provided by (Used in) Noncapital Financing Activities	**(100,312)**	96,879
Cash Flows Used in Capital and Related Financing Activities		
Payments for capital assets	**(652)**	(930)
Cash Flows from Investing Activities		
Purchases of investments	**(250,086)**	(385,211)
Proceeds from maturities and sales of investments	**234,993**	377,570
Interest received on investments	**3,912**	7,706
Net Cash Provided by (Used in) Investing Activities	**(11,181)**	65
Net Increase in Cash and Cash Equivalents	**337,554**	12,712
Cash and Cash Equivalents - Beginning of Year	**105,367**	92,655
Cash and Cash Equivalents - End of Year	**$ 442,921**	$ 105,367

STATEMENT OF CASH FLOWS (*Continued)*
(In Thousands)

	For the Years Ended June 30,	
	2021	2020
Reconciliation of Increase in Net Position to Net Cash Provided by (Used in) Operating Activities		
Increase in net position	**$ 1,379**	$ 55,482
Adjustments to reconcile increase in net position to net cash provided by (used in) operating activities		
Depreciation	**548**	372
Net (increase) decrease in fair value	**24,074**	(27,860)
Compliance and origination fee receipts	**1,692**	656
Amortization of unearned revenue	**(1,663)**	(1,501)
Income - investments	**(3,810)**	(7,242)
Proceeds from sale of mortgage investments	**7,160**	13,227
Net change in mortgage loans	**63,735**	(152,113)
Interest expense related to bonds and other debt	**29,901**	32,900
Change in deferred outflows related to pensions and OPEB	**481**	1,233
Change in deferred inflows related to pensions and OPEB	**190**	334
Change in assets and liabilities		
Accounts receivable	**(791)**	781
Accrued mortgage interest receivable	**377**	(263)
Real estate owned	**4,500**	—
Prepaid expenses	**(7)**	64
Federal housing subsidy deposits	**321,036**	(1)
Accounts payable	**480**	238
Pension and OPEB liabilities	**417**	391
Net Cash Provided by (Used in) Operating Activities	**$ 449,699**	$ (83,302)

STATEMENT OF FIDUCIARY NET POSITION
(In Thousands)

	June 30,	
	2021	2020
Assets		
Cash and cash equivalents	**$ 2,681**	$ 3,748
Investments	**117,619**	118,026
Accrued interest receivable	**220**	327
Total Assets	**120,520**	122,101
Net Position		
Restricted for Mortgagors	**120,520**	122,101
Total Net Position	**$ 120,520**	$ 122,101

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(In Thousands)

	For the Years Ended June 30, 2021	2020
Additions		
Interest and investment income		
Income - investments	**$ 1,009**	$ 1,729
Net increase (decrease) in fair value	**(1,834)**	569
Total interest and investment income	**(825)**	2,298
Mortgage escrow receipts - Mortgagors	**49,159**	39,634
Total Additions	**48,334**	41,932
Deductions		
Mortgage escrow disbursements - Mortgagors	**49,275**	45,321
Transfers to Enterprise Fund	**640**	1,265
Total Deductions	**49,915**	46,586
Change in Fiduciary Net Position	**(1,581)**	(4,654)
Net Position - Beginning of Year	**122,101**	126,755
Net Position - End of Year	**$ 120,520**	$ 122,101

See the notes to the financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Missouri Housing Development Commission (Commission) is a body corporate and politic established on October 13, 1969, by Chapter 215 of the Missouri state statutes. In accordance with the provisions of Chapter 215 and resolutions of the Commission, the Commission is authorized to make or purchase mortgage loans that are uninsured, partially insured or insured or guaranteed by the federal government and to insure mortgage loans, the funds of which are to be used to develop new or rehabilitated low and moderate-income housing. The Commission is also authorized to issue bonds for making or purchasing such loans. The outstanding balance of bonds applicable to loans not insured or guaranteed by a federal agency or to bonds rated lower than “AA” by rating agencies at the time of issuance shall not exceed $200,000,000. At June 30, 2021, the Commission had $27,370,000 of bonds outstanding applicable to conduit loans that are not so insured or guaranteed or to bonds that are not so rated. Bonds issued by the Commission are not an obligation of the state of Missouri (State).

Reporting Entity

The Commission defines its reporting entity to include all component units for which the Commission is financially accountable. The extent of financial accountability is based upon several criteria including: appointment of a voting majority of the governing body, imposition of will, financial benefit to or burden on a primary government and financial accountability as a result of fiscal dependency. No separate entities meet the requirements to be considered component units of the Commission.

The Commission is considered a related organization of the State for financial reporting purposes. Accordingly, the Commission is included as a note disclosure in the state of Missouri’s comprehensive annual financial report.

For financial reporting purposes, the Commission reports its operations as a single enterprise fund. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting with revenues recognized when earned and expenses recorded when incurred. All significant interfund transactions are eliminated.

Revenues and expenses are typically divided into operating and nonoperating items. Operating revenues generally result from providing services in connection with the Commission's principal ongoing operations. The principal operating revenues of the Commission are derived from the interest and investment income from loans and investments, financing fees, federal and other assistance program funding and other charges related to providing financing for affordable housing through mortgage loans and grants. Operating expenses consist primarily of interest expense on bonds outstanding and federal and other assistance program expenses and other costs to administer its affordable housing programs. All revenues and expenses not meeting these definitions would be reported as nonoperating revenues and expenses. The Commission has no nonoperating activities.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as needed.

Fiduciary Fund Statements

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position provide information on the Commission's fiduciary activities in administering escrow funds on behalf of mortgagors of permanent and construction loans serviced by the Commission. The net position of such funds are reported as restricted net position for mortgagors in the fiduciary statement of net position. Investment earnings on the escrow funds held are reported as additions to restricted net position in the Fiduciary Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and temporary investments with an original maturity of three months or less. At June 30, 2021 cash equivalents consisted primarily of money market funds, overnight repurchase agreements and a Federal Home Loan Bank (FHLB) daily time account.

Investments

Securities purchased under agreements to resell, U.S. government and agency securities and mortgage-backed securities are reported at fair value. Net increases (decreases) in fair value are reported on the statement of revenue, expenses and changes in net position and the statement of changes in fiduciary net position.

Mortgage Investments

Proceeds from the sale of bonds, resources provided in the Commission's warehousing program and available net position are used to make mortgage loans and to purchase mortgage-backed securities. The mortgage-backed securities are guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) and are backed by pools of qualifying mortgage loans. Advances made on such loans during the construction period of related housing units are recorded as construction loans and are serviced as mortgage loans upon final endorsement after construction completion. Mortgage and construction loans are reported at cost, while GNMA, Fannie Mae and Freddie Mac mortgage-backed securities are reported at fair value.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs and the allowance for loan losses. Generally, loans are evaluated for nonaccrual status at 90 days past due and interest is considered a loss, unless the loan is well secured and in the process of collection.

Fair Value Reporting

The Commission categorizes its fair value measurements applicable for reporting its investments and mortgage-backed securities within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Allowance for Loan Losses

The allowance for loan losses is associated with uninsured loans, Risk-Share loans and related accrued interest on such loans. The allowance is management's estimate of uncollectible loans and related accrued interest and is based on existing payment conditions, prior experience and such other factors that, in management's opinion, require consideration. For financial statement presentation, the allowance for loan losses has been netted against the noncurrent portion of mortgage and construction loans.

Original Issue Discounts and Premiums

Original issue bond discounts and premiums are deferred and amortized over the life of the related issue using the effective interest method or the outstanding bond method, which approximates the effective interest method.

Capital Assets

Capital assets are stated at cost less accumulated depreciation and consist of leasehold improvements, software, office furniture and equipment. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from two to seven years. The Commission defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net positon that applies to future periods and so will not be recognized as an inflow of resources until then.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans administered by the Missouri State Employees' Retirement System (MOSERS) and additions to and deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Retiree Welfare Benefit Trust (SRWBT) administered by the Missouri Consolidated Health Care Plan (MCHCP) and additions to and deductions from the SRWBT fiduciary net position have been determined on the same basis as they are reported by MCHCP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the financial statements. Net position is classified as follows:

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation.

Restricted Net Position: This component of net position consists of restrictions placed on net position use through external constraints imposed by grant agreements and contracts, laws or regulations of other governments, bond resolutions or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component represents net position used at the discretion of the Board of Commissioners to complement bond and loan programs, to fund housing initiatives and to provide for the Commission's operations. Certain unrestricted net position has been designated by the Commission to provide for its housing programs. Unrestricted net position provides additional security for the Commission's general obligations and commitments.

Fees, Charges and Expenses

Unearned revenue consists primarily of tax credit fees and compliance monitoring fees that are recognized as income over the contractual periods.

Service and other fees and charges are recorded as income when earned and the associated administrative expenses are recorded as incurred.

Operating expenses identifiable to a particular program are charged directly to the program. All other operating expenses are accounted for by the Commission in the Operating Fund (see *Note 2*).

Federal Assistance and Grants

The Commission administers grants and federal assistance programs, representing "pass-through" financial assistance, on the behalf of secondary recipients. The Commission reports federal assistance deposits received in advance of incurring related expenditures as a liability presented on the statement of net position. The Commission recognizes financial activity related to pass-through grants and financial assistance as revenues and expenses of the Commission. Grants received from federal, state and local governments, and other organizations are recognized as operating revenue as the related expenditures are incurred.

Debt Refunding

For refundings resulting in defeasance of debt reported by proprietary activities, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter, using the bonds outstanding method. The deferred refunding amounts are classified as deferred inflows or deferred outflows of resources in the financial statements.

New Accounting Standard

The Commission implemented GASB Statement No. 84, *Fiduciary Activities*. This statement set forth criteria for identification of fiduciary activities and established standards for accounting and financial reporting for those activities. The focus of the statement's criteria for identifying fiduciary activities is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The Commission identified its fiduciary activities in its management of mortgagor escrow funds.

The cumulative effect of adopting GASB Statement No. 84 as of July 1, 2019 was an increase of $8,000 in the Commission's enterprise fund restricted net position and the establishment of beginning net position in the Custodial Fund of restricted for mortgagors of $126,755,000.

Reclassifications

Certain 2020 amounts have been reclassified, where appropriate, to conform to the 2021 financial statement presentation.

2. Description of Funds or Programs

The following describes the funds or programs maintained by the Commission, all of which conform to Chapter 215 of the Missouri state statutes and the respective bond resolutions.

Operating Fund

Funding of the Operating Fund on an ongoing basis is derived principally from allowable transfers from other funds, fees earned for administering various U.S. Department of Housing and Urban Development (HUD) programs, and interest income from Operating Fund investments and mortgage loans. Mortgage and construction loans in the Operating Fund are collateralized by deeds of trust on the related properties, including approximately $16,307,000 and $8,435,000 at June 30, 2021, and 2020, respectively, which are insured by HUD's Federal Housing Administration (FHA) programs or guaranteed by the Veterans Administration (VA). These insured loans include $16,269,000 and $8,388,000 at June 30, 2021 and 2020, respectively, which are FHA-insured "Risk-Share Mortgage Loans," as described in *Note 4*. Authorized activities of the Operating Fund include the following:

- Payment of general and administrative expenses and other costs not payable by other funds of the Commission.
- Financing multifamily or homeownership residential housing units from accumulated fund balances, if financing of such units is not provided for under existing bond indentures.
- Those activities deemed necessary to fulfill the Commission's corporate purposes for which special funds are not established.

The Commission administers the Missouri Housing Trust Fund, which provides for a variety of housing needs, such as emergency home repair, emergency rent, mortgage or utility payments, rehabilitation or new construction of housing facilities and related services for very low-income families and individuals. The Missouri Housing Trust Fund is authorized by Section 215.034, RSMo and its financial activities are included in the financial statements of the Commission. Separate financial statements for the Missouri Housing Trust Fund may be obtained through the Commission.

Multifamily Bond-Financed Program (2000 Indenture)

The Commission's Multifamily Bond-Financed Program (2000 Indenture) was established to support the financing and refinancing of eligible multifamily projects and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves all pursuant to the Commission's Trust Indenture dated as of June 1, 2000. All loans are insured by HUD, including HUD's Risk-Share Program.

Multifamily Bond-Financed Program (2014 Indenture)

The Commission's Multifamily Bond-Financed Program (2014 Indenture) was established to succeed the program established in 2000 with updated terms and flow of funds to support the financing and refinancing of eligible multifamily projects and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves all pursuant to the Commission's Trust Indenture dated as of April 1, 2014. All loans are insured by HUD, including HUD's Risk-Share Program.

Other Multifamily Bond-Financed Programs (Conduit Debt)

The Commission's Other Multifamily Bond-Financed Programs were established to support the financing and refinancing of eligible multifamily projects pursuant to the Commission's separate multifamily trust indentures, excluding the Commission's Trust Indentures dated as of June 1, 2000 and April 1, 2014. All loans are financed by the borrowers with limited obligation revenue bonds, for which the Commission served as a conduit issuer. The Commission reports the conduit bonds outstanding and the related mortgage loans and mortgage-backed securities.

Homeownership Bond-Financed Program (1995 Indenture)

The Commission's Homeownership Bond-Financed Program was established to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities backed by pools of the mortgage loans pursuant to the Commission's Trust Indenture dated as of June 15, 1995. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac. The outstanding bonds of the 1995 Indenture were fully redeemed during the current fiscal year and remaining pledged assets released.

Special Homeownership Bond-Financed Program (2009 Indenture)

The Commission's Special Homeownership Bond-Financed Program was established under the United States Treasury's Single Family New Issue Bond Program to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities on eligible owner-occupied units pursuant to the Commission's Trust Indenture dated as of December 1, 2009. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

First Place Homeownership Bond-Financed Program (2015 Indenture)

The Commission's First Place Homeownership Bond-Financed Program was established to succeed the Special Homeownership Bond-Financed Program due to specific restrictions imposed under the program established by the Treasury Department to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities on eligible owner-occupied units pursuant to the Commission's Trust Indenture dated as of May 1, 2015. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

Fiduciary Funds

In the course of its loan servicing, the Commission administers escrow and reserve funds held on behalf of its mortgagors. The funds are used to pay taxes and insurance on underlying mortgage property, held as reserve for replacements, or for other purposes. The funds received from the mortgagors are invested in accordance with the Commission's investments guidelines and the assets are offset by a corresponding restricted net position for mortgagors. The cash and investments balance of the escrow funds was $120,300,000 and $121,774,000 as of June 30, 2021 and June 30, 2020, respectively.

3. Cash and Investments

A summary of cash and investments as of June 30, 2021 and 2020 is as follows (in thousands):

	2021		2020	
Enterprise Fund	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Cash and cash equivalents				
Cash	$ 18,562	$ 18,562	$ 23,787	$ 23,787
FHLB daily time accounts	452	452	245	245
Repurchase agreements	321,375	321,375	—	—
Money market funds	102,532	102,532	80,835	80,835
U.S. Treasury bills	—	—	500	500
Total cash and cash equivalents	$ 442,921	$ 442,921	$ 105,367	$ 105,367
Investments				
U.S. Treasury bonds and notes and agency obligations	$ 308,803	$ 307,798	$ 293,388	$ 297,520
Total investments	308,803	307,798	293,388	297,520
Total cash and cash equivalents and investments	$ 751,724	$ 750,719	$ 398,755	$ 402,887

	2021		2020	
Fiduciary Fund	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Cash and cash equivalents				
Cash	$ 1,681	$ 1,681	$ 2,748	$ 2,748
Money market funds	1,000	1,000	1,000	1,000
Total cash and cash equivalents	$ 2,681	$ 2,681	$ 3,748	$ 3,748
Investments				
U.S. Treasury bonds and notes and agency obligations	$ 119,233	$ 117,619	$ 117,782	$ 118,026
Total investments	119,233	117,619	117,782	118,026
Total cash and cash equivalents and investments	$ 121,914	$ 120,300	$ 121,530	$ 121,774

Investment Policy

General

The Commission's formal *Investment Policy and Guidelines* apply to investments that are not held by a trustee in connection with bond or note issues. This policy permits the Commission to invest in obligations of the state of Missouri, obligations of the United States of America, obligations issued or guaranteed by certain agencies of the federal government, certain collateralized repurchase agreements and certificates of deposit. The general policy of the Commission is to make investments for future funding requirements and not for trading purposes. At June 30, 2021, all of the Commission's general investments (non-bond related investments) were in compliance with the Commission's *Investment Policy and Guidelines*.

Indentures

The Commission's bond indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States of America, certificates of deposit, investment agreements and certain other investments permitted by applicable law. At June 30, 2021, all investments of debt-related issues held by the Commission's trustees were in compliance with the requirements of the indentures.

Investment Maturities

As of June 30, 2021 and 2020, the Commission had the following investments and maturities (in thousands):

		June 30, 2021			
Enterprise Fund		**Investment Maturities (in Years)**			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
U.S. Treasury securities	$ 37,225	$ 24,298	$ 655	$ 10,853	$ 1,419
U.S. agency securities	270,573	703	30,701	239,169	—
Total investments	$ 307,798	$ 25,001	$ 31,356	$ 250,022	$ 1,419

		June 30, 2020			
		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
U.S. Treasury securities	$ 41,411	$ 32,485	$ 666	$ 1,305	$ 6,955
U.S. agency securities	256,109	9,388	73,583	173,138	—
Total investments	$ 297,520	$ 41,873	$ 74,249	$ 174,443	$ 6,955

Fiduciary Fund		June 30, 2021			
		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
U.S. Treasury securities	$ 2,467	$ —	$ —	$ 2,467	$ —
U.S. agency securities	115,152	502	37,273	77,377	—
Total investments	$ 117,619	$ 502	$ 37,273	$ 79,844	$ —

		June 30, 2020			
		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
U.S. Treasury securities	$ 4,498	$ 4,498	$ —	$ —	$ —
U.S. agency securities	113,528	8,497	43,017	62,014	—
Total investments	$ 118,026	$ 12,995	$ 43,017	$ 62,014	$ —

The Commission's *Investment Policy and Guidelines* limit investments for general funds in repurchase agreements to 90 days and U.S. Treasury and U.S. agency securities to 10 years. The bond resolutions and indentures allow for investments in obligations of the United States of America and investment agreements for the terms specified in these documents, generally 30 years.

At June 30, 2021, as reported at fair value, the Commission's enterprise fund U.S. agency securities consist of $126,617,000 Federal Farm Credit Bank (FFCB), $75,819,000 Federal Home Loan Bank (FHLB), $22,901,000 Fannie Mae, $34,354,000 Freddie Mac and $10,882,000 Farmer Mac debt securities. At June 30, 2021, as reported at fair value, the Commission's fiduciary fund U.S. agency securities consist of $60,733,000 Federal Farm Credit Bank (FFCB), $13,236,000 Federal Home Loan Bank (FHLB), $19,117,000 Fannie Mae and $22,066,000 Freddie Mac debt securities.

The Commission's recurring fair value measurements include U.S. Treasury and government agency securities, valued using a multi-dimensional relational pricing model (Level 2 inputs). These securities totaled $307,798,000 and $297,520,000 in the Commission's enterprise fund as of June 30, 2021 and 2020, respectively, and totaled $117,619,000 and $118,026,000 in the Commission's fiduciary fund as of June 30, 2021 and 2020, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of investments. The Commission manages interest rate risk by structuring investment portfolios so that securities mature to meet cash requirements for ongoing operations and debt service obligations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

The Commission's money market funds and investments include the securities of U.S. government agencies rated in the highest rating category by Moody's Investor Services (Aaa) and AA+ by Standard & Poor's. Repurchase agreements are unrated, but collateralized by U.S. agency securities.

Concentration of Credit Risk

The Commission places no limit on the amount it may invest in any one issuer with respect to U.S. Treasury and government agency securities. Obligations of the state of Missouri and collateralized certificates of deposit are limited to 60% of the non-bond fund portfolio, each. Collateralized repurchase agreements are limited to 50% of the non-bond fund portfolio. The following tables list investments in issuers that represent 5% or more of total investments, which includes money market funds classified as cash equivalents at June 30, 2021:

Enterprise Fund

Issuer	Percent of Total Investments
Federal Farm Credit Bank (FFCB)	30.8%
Morgan Stanley Institutional Liquidity Funds Government Portfolio	25.2%
Federal Home Loan Bank (FHLB)	18.4%
U.S. Treasury	9.1%
Federal Home Loan Mortgage Corporation (Freddie Mac)	8.3%
Fannie Mae	5.5%

Fiduciary Fund

Issuer	Percent of Total Investments
Federal Farm Credit Bank (FFCB)	51.6%
Federal Home Loan Mortgage Corporation (Freddie Mac)	18.8%
Fannie Mae	16.3%
Federal Home Loan Bank (FHLB)	11.3%

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the Commission addresses custodial credit risk by pre-qualifying institutions with which the Commission places investments, diversifying its investment portfolio and maintaining a standard of quality for its investments.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Commission may not be able to recover its deposits. Protection of the Commission's enterprise fund deposits of $13,564,000 and custodial fund deposits of $1,681,000 at June 30, 2021 is provided by the Federal Deposit Insurance Corporation, FHLB letters of credit and by eligible securities pledged by the financial institution. Deposits in the Commission's enterprise fund with the FHLB at June 30, 2021 include $4,998,000 in a demand deposit account and $452,000 in a daily time account, which are uninsured and uncollateralized, but are secured by the full faith and credit of the FHLB system with implicit government support.

4. Mortgage Investments

Mortgage investments reported consist of the following as of June 30, 2021 and 2020 (in thousands):

	2021	2020
Total mortgage loan principal outstanding	$ 477,255	$ 503,928
Less: Allowance for mortgage loan losses	(40,523)	(40,197)
Mortgage loans, net	436,732	463,731
Total mortgage-backed securities, at cost	1,106,804	1,157,372
Unrealized gain on securitized mortgage loans	30,509	43,096
Mortgage-backed securities, at fair value	1,137,313	1,200,468
Mortgage investments, net	$ 1,574,045	$ 1,664,199

Mortgages include loans financed by the federal HOME Investment Partnerships Program (HOME) totaling $228,469,000 and $221,276,000 as of June 30, 2021 and 2020, respectively. A portion of these loans totaling $140,107,000 and $128,558,000 at June 30, 2021 and 2020, respectively, include prepayment terms allowing deferment or repayment based on net income of the multifamily developments. An estimated allowance for mortgage loan losses of $22,079,000 and $21,913,000 is attributable to this portfolio at June 30, 2021 and 2020, respectively. In addition, there were $40,430,000 and $42,540,000 in mortgages outstanding at June 30, 2021 and 2020, respectively, that have continuing compliance requirements and convert to grants upon maturity and satisfaction of program requirements. Such mortgages are recognized as expenditures at the time of disbursement. At June 30, 2021 and 2020, mortgages also include $27,328,000 and $27,691,000, respectively, in loans financed by the federal Tax Credit Assistance Program (TCAP). An estimated allowance for mortgage loan losses of $3,695,000 and $3,736,000 is attributable to this portfolio at June 30, 2021 and 2020, respectively.

The Commission warehouses mortgage-backed securities created by its single family homeownership programs. The warehoused securities have been funded by short-term FHLB advances or available net position. U.S. agency securities, which totaled $66,629,000 and $49,103,000 at June 30, 2021 and 2020, respectively, and warehoused mortgage-backed securities totaling $22,316,000 at June 30, 2020 are pledged as collateral for the short-term FHLB advances. There were warehoused mortgage-backed securities totaling $28,484,000 and $64,011,000 held at June 30, 2021 and 2020, respectively.

The single family bond-financed programs generally require that mortgage loans be made to borrowers whose household income does not exceed the statewide or applicable metropolitan statistical area (MSA) median income, based on family size. For loans financed with tax-exempt bond proceeds (First Place loans), Section 143 of the Internal Revenue Code specifies certain requirements with respect to the nature of the residence, mortgage and eligibility of the borrower. These programs provide funding for mortgage loans that are FHA insured, VA guaranteed, U.S. Department of Agriculture/Rural Development (USDA/RD) guaranteed or Freddie Mac-qualified or Fannie Mae-qualified conventional loans.

The Commission finances eligible homebuyers, including non-first time homebuyers, with mortgage loans (Next Step program) financed at predetermined daily prices via the taxable To-Be-Announced (TBA) market in accordance with an agreement with a third-party administrator. Next Step mortgage-backed securities (MBS) delivered totaled $41,112,000 and $42,705,000 during fiscal years 2021 and 2020, respectively.

The multifamily bond-financed programs provide long-term financing for rental housing developments for occupancy by families and persons of low and moderate incomes. The Commission has entered into an agreement with HUD, which permits the Commission to participate in HUD's Risk-Share Program. In accordance with the terms of this agreement, HUD will insure certain mortgage loans on rental housing developments (FHA-insured "Risk-Share Mortgage Loans") and the Commission will underwrite the Risk-Share Mortgage Loans following its underwriting guidelines. HUD will insure the Risk-Share Mortgage Loans and will bear 50% of the risk and the Commission will bear the remaining 50% of the risk. The Commission had Risk-Share Mortgage Loans totaling $63,703,000, representing 40 loans as of June 30, 2021 and $83,523,000, representing 45 loans as of June 30, 2020.

Proceeds of multifamily and single family mortgage revenue bonds, as indicated in *Note 5*, as well as resources of the Commission's mortgage-backed security warehousing program were used to purchase GNMA, Fannie Mae and Freddie Mac certificates collateralized by mortgage loans approved in accordance with the guidelines of the Commission's mortgage programs. The financing periods of the pooled mortgage loans are 30 years. Mortgage-backed securities have repayments based on the underlying pooled mortgages and are subject to prepayment.

The fair value of the mortgage-backed securities is sensitive to changes in interest rates, which may result in large fluctuations in carrying value and investment earnings as reported. The mortgage-backed securities held at June 30, 2021 have stated interest rates ranging from 1.75% to 7.50%, while the underlying mortgages have stated interest rates ranging from 2.25% to 8.00%.

GNMA, Fannie Mae and Freddie Mac certificates, which are included in mortgage investment balances, are presented in the statement of net position at fair value. These mortgage-backed securities are guaranteed as to payment of principal and interest by GNMA, Fannie Mae or Freddie Mac. As of June 30, 2021, the par value of securitized mortgage loans consist of 85.5% GNMA, 5.9% Fannie Mae and 8.6% Freddie Mac certificates. All other loans included in mortgage investments are carried at cost. The following summarizes the carrying value and cost of mortgage investments as of June 30, 2021 and 2020 (in thousands):

	2021		2020	
	Carrying Value	Cost	Carrying Value	Cost
GNMA, Fannie Mae and Freddie Mac mortgage-backed securities	$ 1,137,313	$ 1,106,804	$ 1,200,468	$ 1,157,372
Other mortgage loans	477,255	477,255	503,928	503,928
Total mortgage investments	$ 1,614,568	$ 1,584,059	$ 1,704,396	$ 1,661,300

The Commission's recurring fair value measurements as of June 30, 2021 include the GNMA, Fannie Mae and Freddie Mac certificates totaling $1,137,313,000 valued using a matrix pricing technique, which utilizes pricing indices, index spreads and other market reference data (Level 2 inputs).

5. Bonds Payable and Long-Term Obligations

The following table provides a summary of the changes in long-term obligations for the years ended June 30, 2021 and 2020 (in thousands):

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Amount Due Within One Year
Publicly Sold Bonds					
Multifamily Bond-Financed Program (2000 Indenture)	$ 57,300	$ —	$ (36,850)	$ 20,450	$ 935
Multifamily Bond-Financed Program (2014 Indenture)	18,536	11,503	(3,483)	26,556	962
Special Homeownership Bond-Financed Program (2009 Indenture)	78,705	—	(30,989)	47,716	2,669
First Place Homeownership Bond-Financed Program (2015 Indenture)	917,483	213,400	(177,665)	953,218	27,508
Total Publicly Sold	1,072,024	224,903	(248,987)	1,047,940	32,074
Direct Borrowings and Direct Placements					
Operating Fund - Direct Borrowings	61,521	671,495	(705,542)	27,474	27,474
Other Multifamily Bond-Financed Programs (Conduit Debt)	38,317	5,403	(15,350)	28,370	2,559
Homeownership Bond-Financed Program (1995 Indenture)	1,596	—	(1,596)	—	—
Total Direct Borrowings and Direct Placements	101,434	676,898	(722,488)	55,844	30,033
Total bonds and notes payable	1,173,458	901,801	(971,475)	1,103,784	62,107
Unamortized premium and discount, net	29,545	8,055	(7,143)	30,457	853
Total bonds and notes payable, net	1,203,003	909,856	(978,618)	1,134,241	62,960
Unearned revenue	8,820	1,691	(1,662)	8,849	1,318
Total long-term debt and other obligations	$ 1,211,823	$ 911,547	$ (980,280)	$ 1,143,090	$ 64,278

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Amount Due Within One Year
Publicly Sold Bonds					
Multifamily Bond-Financed Program (2000 Indenture)	$ 72,847	$ —	$ (15,547)	$ 57,300	$ 2,365
Multifamily Bond-Financed Program (2014 Indenture)	34,695	—	(16,159)	18,536	739
Homeownership Bond-Financed Program (1995 Indenture)	8,790	—	(8,790)	—	—
Special Homeownership Bond-Financed Program (2009 Indenture)	174,019	—	(95,314)	78,705	4,398
First Place Homeownership Bond-Financed Program (2015 Indenture)	639,092	375,470	(97,079)	917,483	26,935
Total Publicly Sold	929,443	375,470	(232,889)	1,072,024	34,437
Direct Borrowings and Direct Placements					
Operating Fund - Direct Borrowings	57,781	881,299	(877,559)	61,521	61,521
Other Multifamily Bond-Financed Programs (Conduit Debt)	39,833	—	(1,516)	38,317	6,625
Homeownership Bond-Financed Program (1995 Indenture)	1,753	—	(157)	1,596	52
Special Homeownership Bond-Financed Program (2009 Indenture)	21,160	—	(21,160)	—	—
Total Direct Borrowings and Direct Placements	120,527	881,299	(900,392)	101,434	68,198
Total bonds and notes payable	1,049,970	1,256,769	(1,133,281)	1,173,458	102,635
Unamortized premium and discount, net	22,776	13,126	(6,357)	29,545	851
Total bonds and notes payable, net	1,072,746	1,269,895	(1,139,638)	1,203,003	103,486
Unearned revenue	9,665	656	(1,501)	8,820	1,355
Total long-term debt and other obligations	$ 1,082,411	$ 1,270,551	$ (1,141,139)	$ 1,211,823	$ 104,841

The net proceeds of bond issues for both publicly sold bonds and direct placements are used to provide financing for multifamily bond-financed housing projects or for homeownership residential housing units. The bond proceeds are deposited with and invested by bank trust departments in qualified investments until required for such financing. These bonds are obligations of the Commission payable from the mortgage investments and funds specifically pledged to the payment of the bonds and are not liabilities of the state of Missouri.

Multifamily bonds are secured by a pledge of the mortgages and mortgage loans, funds and investments held under each applicable indenture. The mortgage loans held by the 2000 and 2014 Indentures are insured by HUD, including HUD's Risk-Share Program. Single family bonds are secured by pledged mortgage-backed securities, funds and investments held under each applicable indenture. The pledged mortgage-backed securities consist of pools of mortgages originated in accordance with the Commission's loan programs and are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

Under the terms of the bond indentures, an event of default occurs if payment of principal or interest is not made when due or in the event the Commission does not comply with one or more covenants in or related to the bond indenture and fails to cure the noncompliance within specified timeframes. If an event of default is not resolved, the trustee can take actions to protect and enforce the rights of the bondholders, including enforcement of rights under the mortgages or mortgage-backed securities and declaring all applicable outstanding bonds due and payable.

A summary of bonds payable outstanding at June 30, 2021 and 2020 follows (in thousands), including the applicable calendar date reference for future maturities or final redemption:

	Original Amount Authorized	Outstanding 2021	Outstanding 2020
Multifamily Bond-Financed Program (2000 Indenture)			
2004 Series 5 FP-San Remo Apts. - Redeemed September 2020	$ 3,785	$ —	$ 1,675
2005 Series 6 Ivanhoe Gardens Apts. - Redeemed September 2020	4,240	—	1,885
2006 Series 1 Meadow Ridge Townhouses - Redeemed September 2020	6,360	—	1,910
2007 Series 1 Linden Campus Apts. - Redeemed September 2020	3,980	—	1,710
2010 Series 1 Basie Court Apts. - Redeemed September 2020	4,967	—	1,241
2010 Series 2 Samantha Heights Apts. - Redeemed May 2021	8,610	—	5,305
2010 Series 3 Wesley Senior Towers Apts. - Redeemed May 2021	5,395	—	2,450
2010 Series 4 Lucas Heights Apts. - Redeemed May 2021	8,175	—	3,095
2010 Series 5 Grandview Estates - Redeemed May 2021	3,531	—	874
2012 Series 1 Refunding Bonds (2.75% to 4.25%), due 2021-2038	42,740	5,205	17,100
2013 Series 1 Friendship Village (2.20% to 3.75%), due 2021 - 2045	6,555	2,810	2,890
2013 Series 2 Refunding Bonds (3.00% to 4.625%), due 2021-2040	15,560	4,390	8,930
2013 Series 3 Shepard Apts. (3.00% to 5.00%), due 2021-2045	12,030	6,475	6,625
2013 Series 4 House Springs Apts. (3.00% to 5.00%) due 2021-2045	2,555	1,570	1,610
	128,483	20,450	57,300
Less: Unamortized debt discount	—	—	(25)
Add: Unamortized debt premium	—	90	163
	128,483	20,540	57,438
Multifamily Bond - Financed Program (2014 Indenture)			
2014 Series 1 Refunding Bonds (4.20%), due 2040	$ 23,742	$ 5,864	$ 6,146
2015 Series 1 Refunding Bonds (3.75%), due 2042	12,120	7,811	8,056
2015 Series 2 Refunding Bonds (3.875%), due 2036	13,654	1,401	4,334
2021 Series 1 Refunding Bonds (2.20%), due 2042	11,503	11,480	—
	61,019	26,556	18,536

	Original Amount Authorized	Outstanding 2021	Outstanding 2020
Other Multifamily Bond - Financed Programs (Conduit Debt) - Direct Placements			
Series 1999 East Hills Village Apts. - Redeemed September 2020	$ 2,750	$ —	$ 1,725
Series 2004 Bridgeport Apts. (6.60%), due 2041	6,580	5,414	5,535
2005 Series I-A Lakewood Apts. (5.25%), due 2035*	2,750	1,000	1,040
2006 Series I Bainbridge Apts. (5.75%), due 2020 - 2048	15,046	3,372	3,422
2006 Series II Georgian Court Apts. (5.75%), due 2020 - 2048	8,721	1,708	1,733
2006 Series III Linda Vista Apts. (5.75%), due 2020 - 2048	5,329	832	845
2006 Series VII Cedar Tree Apts. (5.73%), due 2026	2,500	1,480	1,513
2006 Series VIII Elmwood Estates Apts. (5.73%), due 2026	3,200	2,260	2,310
2006 Series IX Catalpa Tree Apts. (5.73%), due 2026	1,800	1,102	1,126
2006 Series X Center Apts. (5.73%), due 2026	1,900	1,024	1,047
2007 Series I Park Ridge Apts. - nullified March 2021	12,000	—	6,521
2007 Series II Mexico I Apts. (5.88%), due 2026	1,100	524	542
2007 Series III Princeton Manor Apts. (variable rate), due 2027	2,152	1,377	1,401
2007 Series IV Oakwood Terrace Apts. (variable rate), due 2027	970	679	691
2007 Series V Westside Apts. - Redeemed June 2021	2,400	—	740
2007 Series VI Longfellow Apts. (variable rate), due 2040	6,400	2,195	2,260
2011 Series I Brookstone Village - Matured January 2021	6,800	—	5,866
2020 Series I-A Museum Hill Homes (4.85%), due 2037	3,400	3,400	—
2020 Series I-B Museum Hill Homes (4.85%), due 2037	2,100	2,003	—
	87,898	28,370	38,317
Total Multifamily Bond - Financed Programs	277,400	75,466	114,291
Homeownership Bond – Financed Program (1995 Indenture)			
Direct Placements:			
2008 Series C-4 (5.06%) - Redeemed November 2020*,**	$ 10,000	$ —	$ 1,061
2009 Series B-2 (4.64%) - Redeemed January 2021*, **	5,000	—	535
	15,000	—	1,596
Add: Unamortized debt premium	—	—	—
	15,000	—	1,596
Special Homeownership Bond - Financed Program (2009 Indenture)			
Publicly Sold Bonds:			
2013 Series D (2.55%) - Redeemed March 2021*	$ 44,924	$ —	$ 10,102
2014 Series A (2.25% to 4.00%), due 2021 - 2041*	50,000	12,690	19,590
2014 Series B (2.20% to 4.00%), due 2021 - 2040*	50,000	15,505	23,230
2014 Series C (2.97%), due 2036*	40,579	8,989	11,499
2016 Series C (2.40%), due 2044*	31,503	10,532	14,284
	217,006	47,716	78,705
Add: Unamortized debt premium	—	796	1,174
	217,006	48,512	79,879

	Original Amount Authorized	Outstanding 2021	Outstanding 2020
First Place Homeownership Bond - Financed Program (2015 Indenture)			
2015 Series A (2.05% to 3.75%), due 2021 - 2038*	$ 60,000	$ 16,395	$ 27,100
2015 Series B-1 (4.00%), due 2045*	23,090	5,465	7,100
2015 Series B-2 (2.20% to 4.00%), due 2021 - 2045*	50,000	12,360	20,160
2015 Series C (1.95% to 4.00%), due 2021 - 2036*	56,000	14,905	25,310
2016 Series A-2 (1.55% to 4.00%), due 2021 - 2040*	70,000	26,065	38,735
2016 Series B (1.30% to 3.50%), due 2021 - 2041*	70,000	32,345	44,950
2016 Series D (3.40%), due 2046*	51,489	28,886	37,113
2017 Series A-1 (4.00%), due 2042*	14,400	8,630	10,435
2017 Series A-2 (1.60% to 4.00%), due 2021 - 2042*	50,000	21,135	30,885
2017 Series B (3.25%), due 2047*	54,241	30,110	38,881
2017 Series C (3.30%), due 2047*	53,939	33,254	43,356
2017 Series D (2.00% to 4.00%), due 2021 - 2047*	54,500	38,775	46,900
2018 Series A (1.95% to 4.25%), due 2021 - 2049*	55,000	38,735	49,030
2018 Series B (2.30% to 4.75%), due 2021 - 2049*	70,000	55,975	65,460
2019 Series A (1.80% to 4.25%), due 2021 - 2047*	65,000	51,605	61,730
2019 Series B (1.45% to 4.00%), due 2021 - 2050*	80,000	70,020	77,450
2019 Series C (1.35% to 3.875%), due 2021 - 2050*	120,000	110,900	118,605
2020 Series A (1.00% to 3.50%), due 2021 - 2050*	100,000	95,735	100,000
2020 Series B (2.25% to 2.625%) due 2043*	75,470	50,690	74,283
2020 Series C (.30% to 3.50%) due 2021 - 2050*	55,000	53,660	—
2020 Series D (.20% to 3.25%) due 2021 - 2051*	50,000	49,775	—
2020 Series E (1.85% to 2.00%) due 2050*	33,400	32,798	—
2021 Series A (.10% to 3.00%) due 2021 - 2052*	75,000	75,000	—
	1,386,529	953,218	917,483
Less: Unamortized debt discount	—	(137)	(165)
Add: Unamortized debt premium	—	29,708	28,398
	1,386,529	982,789	945,716
Total Single Family Bond - Financed Programs	1,618,535	1,031,301	1,027,191
Total bonds payable, net	$ 1,895,935	$ 1,106,767	$ 1,141,482

The proceeds of bond issues denoted by "*" are used to purchase GNMA, Fannie Mae and Freddie Mac mortgage-backed securities, which are backed by mortgage loans originated through the Commission's loan programs.

The bond issues denoted by "**" are general obligation bonds. All other bond issues are revenue bonds and conduit debt.

The proceeds of the Conduit Debt bond issues are used to provide financing for multifamily rental housing projects. These bonds are limited obligation, conduit debt issued by the Commission, secured by a mortgage and payable solely from payments made pursuant to the loan agreement. Payments on the bonds do not constitute a general obligation payable from funds of the Commission.

During the fiscal years ended June 30, 2021 and 2020, the Commission redeemed, prior to their scheduled maturity, the principal amount of certain of its bonds. Net gains of $2,762,000 and $2,742,000 for the years ended June 30, 2021 and 2020, respectively, on early extinguishment of debt have been recorded and included with other income. These gains arise as a result of immediate recognition of bond premiums, net of immediate recognition of bond discounts, that would have been amortized over the life of the applicable bond issue if not retired and net of call premiums as required by the applicable bond indentures.

Bond Refunding and Defeased Debt

During fiscal year 2021 the Commission issued Taxable Multifamily Housing Refunding Revenue Bonds, 2021 Series 1 in the amount of $11,503,000. The proceeds of the refunding bonds were used to refund the outstanding Multifamily Housing Revenue Bonds 2010 Series 2, 3, 4 and 5. The refunding resulted in a difference between the reacquisition price and the net carrying amount of approximately $63,000. This difference, reported in the accompanying financial statements as deferred inflows of resources, is being recognized in operations through the year 2042 using the bonds outstanding method. The Commission completed the advance refunding to decrease its total debt service payments over the next 21 years by approximately $3,405,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $2,913,000.

During fiscal year 2020 the Commission issued Single Family Mortgage Revenue Refunding Bonds 2020 Series B in the aggregate amount of $75,470,000. The proceeds of the refunding bonds were used to defease and refund the outstanding Single Family Mortgage Revenue Bonds 2009 Series E-2 Market Bonds, 2009 Series E-3 Market Bonds, 2009 Series E-4 Market Bonds, 2009 Series E-4 Program Bonds, 2013 Series A, 2013 Series B and 2013 Series C. The refunding resulted in a difference between the reacquisition price and the net carrying amount of approximately $836,000. This difference, reported in the accompanying financial statements as deferred outflows of resources, is being recognized in operations through the year 2041 using the bonds outstanding method. The Commission completed the advance refunding to decrease its total debt service payments over the next 23 years by approximately $2,079,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $816,000.

The proceeds of the 2020 Series B bonds were placed into an irrevocable trust account to provide for the future debt service payment of the defeased bonds. Accordingly, the trust account assets and liabilities of the defeased bonds are not included on the Commission's financial statements. At June 30, 2020 defeased bonds totaling $45,560,000 remain outstanding, which include the bonds refunded during the fiscal year 2020. The irrevocable trust account held by the trustee included escrowed securities totaling $46,436,000 at June 30, 2020 consisting of direct non-callable obligations of the United States. The defeased bonds were fully paid during fiscal year 2021.

Direct Borrowings – Operating Fund

In addition to bonds payable, the Commission utilizes short-term FHLB advances, which are secured by pledged U.S. agency securities and mortgage-backed securities. The FHLB can dispose of all or a portion of such securities for purposes of collecting payment of principal and interest on an advance in the event of a payment default. There were advances totaling $27,474,000 and $61,521,000 outstanding at June 30, 2021 and 2020, respectively. The short-term FHLB advances included rollover financings of $519,352,000 and $712,983,000 in fiscal years 2021 and 2020, respectively. The principal and interest on the short-term FHLB advances is payable at maturity as follows (in thousands):

Maturity Date	Interest Rate	Principal	Interest	Total
2021	0.30%	$ 27,474	$ 3	$ 27,477

Bond and Long-term Obligation Maturities

All bonds have early redemption provisions. A summary of future annual scheduled principal and interest maturities for the Commission's long-term obligations, which excludes unamortized debt discounts and premiums, follows (in thousands):

Bonds Maturing During Years Ending June 30,	Publicly Sold Bonds			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 32,074	$ 32,769	$ 64,843	$ 30,033	$ 1,920	$ 31,953
2023	28,584	31,776	60,360	598	1,407	2,005
2024	29,319	31,182	60,501	637	1,373	2,010
2025	30,290	30,397	60,687	674	1,336	2,010
2026	31,228	29,049	60,277	6,231	1,271	7,502
2027 - 2031	171,682	133,395	305,077	4,668	4,247	8,915
2032 - 2036	202,779	104,286	307,065	3,772	3,239	7,011
2037 - 2041	207,575	70,740	278,315	6,511	1,446	7,957
2042 - 2046	193,964	37,673	231,637	1,906	495	2,401
2047 - 2051	119,980	8,399	128,379	814	50	864
2052 - 2056	465	6	471	—	—	—
	$ 1,047,940	$ 509,672	$ 1,557,612	$ 55,844	$ 16,784	$ 72,628

6. Escrow Deposits and Rent Subsidies Payable

Escrow deposits in the fiduciary fund represent funds paid by project mortgagees for real estate taxes, insurance, future replacement of property and other costs.

Federal housing sudidy and other depostis reported on the Commission’s statement of net position represent federal funds received in advance for emergency rental assistance, payment of rent subsidies and for other programs.

7. Restrictions and Designations

Restricted Cash and Investments

Substantially all of the assets of each bond program of the Commission are pledged as collateral for the payment of principal and interest on bond indebtedness of that program. Therefore, all related bond program assets of the Commission that are pledged as collateral are treated as restricted and noncurrent. The obligations of the Commission are not obligations of the State and the State is not liable for such obligations. The trust indentures between the Commission and the trustees establish special accounts for the segregation of assets and restrictions on the use of bond proceeds and certain other funds received.

Resolutions of the Commission require that, to the extent funds are available in the general account of each bond fund, the funds are to be transferred to a debt service account on a periodic basis, from the date of bond issuance to the date of each succeeding maturity, sufficient to make principal and interest payments on the bonds as they become due. Funds within the general account of each bond fund are on deposit in restricted accounts.

The statute and resolutions of the Commission require that for certain bond issues an amount be maintained in reserve accounts to be used to make principal and interest payments on payment due dates. Such amounts are on deposit in restricted accounts for the various issues within the multifamily and single family mortgage revenue bond programs.

Restricted investments include U.S. agency securities pledged as collateral for short-term FHLB advances. Pursuant to state statute, the Commission has also restricted cash and investments held for the Missouri Housing Trust Fund. In addition, cash and investments held associated with federal grant agreements are restricted. These funds include deposits for rental assistance received in accordance with the Consolidated Appropriations Act, homeowner assistance funds received in accordance with the American Rescue Plan Act and other federal programs.

As of June 30, 2021 and 2020, the assets of all accounts satisfied the requirements as established by the trust indentures, applicable agreements and state statute. Such assets are restricted as follows (in thousands):

	2021	2020
Program restricted funds and pledged investments	**$ 81,313**	$ 61,822
Federal Program Funds	**338,326**	19,521
Missouri Housing Trust Fund	**2,736**	2,631
Bond Proceeds Accounts - funds for purchase of qualified mortgage-backed securities or mortgage loans and payment of costs of issuance	**33,537**	25,235
Revenue and Debt Service Funds - program revenues for debt services payments	**53,790**	45,974
Debt Service and Other Bond Reserve Accounts - reserves held as required by bond indentures, including: debt service reserves, mortgage reserves and capitalized interest	**23,387**	23,310
	$ 533,089	$ 178,493

Restricted Net Position

Pursuant to certain bond resolutions, the Commission has restricted the net position of the multifamily and single family mortgage revenue bond programs to maintain a level of reserves necessary to provide sound fiscal operations. U.S. agency securities and mortgage-backed securities are pledged as collateral for short-term FHLB advances. In addition, net position associated with the federal grant agreements of HOME and TCAP are restricted. In fiscal year 1997, the Commission acquired a portfolio of loans from HUD. Revenues collected from these HUD-purchased loans are restricted by an agreement between the Commission and HUD to be used primarily for rehabilitation loans or grants.

Pursuant to state statute, the Commission has restricted the amount of net position representing revenues over expenses related to the financial activity of the Missouri Housing Trust Fund. Revenues of the Missouri Housing Trust Fund are restricted to programs that financially assist, through loans or grants, the development of housing stock and that provide housing assistance to persons and families with incomes at or below specified levels.

Below is a summary of restricted net position by bond resolution and state statute as of June 30, 2021 and 2020 (in thousands):

	2021	2020
Restricted Net Position		
Restricted by bond resolution	**$ 188,325**	$ 201,822
Restricted by collateral custodial agreement - FHLB	**66,629**	71,419
Restricted by grant agreement - HOME Investment Partnership Program	**245,490**	240,907
Restricted by grant agreement - TCAP	**28,567**	28,526
Restricted earnings of HUD-purchased Loans	**15,251**	13,762
Restricted by state statute - Missouri Housing Trust Fund	**2,739**	2,468
Total Restricted Net Position	**$ 547,001**	$ 558,904

Commission Designated Net Position

The Commission has designated certain unrestricted net position for its affordable housing programs. The Commission has the discretion to reverse any designated net position and as of June 30, 2021 and 2020, has designated the following amounts (in thousands):

	2021	2020
Designated by Commission for:		
Tenant assistance	**$ 179**	$ 18,808
Loans not funded by a bond sale	**122,928**	116,702
Construction loan commitments	**47,000**	47,000
Loan and other commitments not yet disbursed	**21,481**	35,481
Single Family Homeownership Program	**20,000**	20,000
Single Family Cash Assistance Program	**21,500**	21,500
Emergency Solutions Grant Program	**47**	100
Rural Initiative Program	**644**	686
Total Commission Designated Net Position	**$ 233,779**	$ 260,277

8. Pension Plan

General Information about the Pension Plan

Plan description. Benefit eligible employees of the Commission are provided pensions through Missouri State Employees' Plan (MSEP) - cost-sharing multiple-employer defined benefit pension plans administered by MOSERS. The plans are referred to as MOSERS throughout the Notes. Section 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related Commission employees. MOSERS issues a Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 31.

Contributions. Per Section 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0% of their annual pay. The Commission's required contribution rate for the years ended June 30, 2021 and 2020 was 22.88% and 21.77% of annual payroll, respectively, which totaled $1,332,000 and $1,216,000 in each of these years, respectively, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. Contributions to the pension plan from the Commission were $1,216,000 and $1,126,000 for MOSERS plan years ended June 30, 2020 and 2019, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 and 2020, the Commission reported a liability of $17,740,000 and $17,324,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2020 and 2019 was offset by the fiduciary net position obtained from the MOSERS CAFR as of June 30, 2020 and 2019, respectively, to determine the net pension liability.

The Commission's proportion of the net pension liability was based on the Commission's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2020. At the June 30, 2020 measurement date, the Commission's proportion was 0.27947%, a slight decrease from 0.28676% as of the June 30, 2019 measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2020 that affected the measurement of total pension liability.

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation, which is also the date of measurement for financial reporting purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Summary of Key Actuarial Assumptions

Valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Amortization period	30 years*
Asset valuation method	Market value
Investment rate of return	6.95%
Projected salary increases	2.75% to 8.25%
Rate of payroll growth	2.25%
COLAs	4.00%/1.80%**
Price inflation	2.25%

* Layered bases with the Legacy Base amortized over a 30-year period beginning June 30, 2018. All subsequent bases are amortized over a new 30-year period.
** 4.00% compounded annually, when a minimum COLA of 4.00% is in effect. 1.80% compounded annually, when no minimum COLA is in effect (80% of price inflation).

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2015. In addition, the investment return assumption was reduced from 7.10% to 6.95% for the June 30, 2020 valuation. Other assumption changes were decreases in the payroll, wage growth and cost-of-living assumptions.

Mortality

Mortality rates for post-retirement mortality are based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

Long-term Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, volatility and correlations. A new portfolio allocation was adopted in July 2018 that is designed to provide the highest probability of meeting or exceeding investment objectives at a controlled level of risk and with acceptable liquidity. A plan was adopted to transition from the old portfolio allocation to a new portfolio allocation over a period of time in order to lessen the impact of market volatility. Best estimates of the real rates of return expected for both the old and new portfolio are summarized by asset class in the following tables, respectively:

Long-Term Expected Rate of Return - Old Portfolio

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return *	Weighted Average Long-Term Expected Real Rate of Return
Opportunistic global equity	38.0%	5.8%	3.1%
Nominal bonds	44.0%	0.8%	1.5%
Commodities	20.0%	5.3%	1.6%
Inflation-protected bonds	39.0%	-0.1%	0.9%
Alternative beta	31.0%	4.1%	2.0%
Cash and cash equivalents**	-72.0%	-1.5%	-0.7%
	100.0%		
	Correlation/Volatility Adjustment		-0.7%
	Long-Term Expected Net Nominal Return		7.7%
	Long-Term Expected Geometric Net Real Return		5.2%

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.
** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Long-Term Expected Rate of Return - New Portfolio

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return *	Weighted Average Long-Term Expected Real Rate of Return
Global public equities	30.0%	5.8%	2.3%
Global private equities	15.0%	7.4%	1.4%
Long treasuries	25.0%	1.6%	0.9%
Core bonds	10.0%	1.2%	0.3%
Commodities	5.0%	3.6%	0.3%
TIPS	25.0%	0.8%	0.7%
Private real assets	5.0%	5.2%	0.3%
Public real assets	5.0%	5.8%	0.4%
Hedge funds	5.0%	2.9%	0.2%
Alternative beta	10.0%	3.4%	0.5%
Private credit	5.0%	7.6%	0.5%
Cash and cash equivalents**	-40.0%	-1.9%	-
	100.0%		
	Correlation/Volatility Adjustment		-0.6%
	Long-Term Expected Net Nominal Return		7.2%
	Long-Term Expected Geometric Net Real Return		5.3%

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.
** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Commission's proportionate share of net pension liability (in thousands)	$ 22,212	$ 17,740	$ 13,977

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS comprehensive annual financial report.

Pension Expense

For the fiscal year ended June 30, 2021, the Commission recognized pension expense of $2,170,000 as compared to $3,251,000 for the fiscal year ended June 30, 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2021 and 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8	$ 184
Changes of assumptions	469	—
Net difference between projected and actual earnings on pension plan investments	942	—
Changes in proportion and differences between Commission contributions and proportionate share of contributions	—	579
Commission contributions subsequent to the measurement date of 6-30-20	1,332	—
Total	$ 2,751	$ 763

June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15	$ 201
Changes of assumptions	692	—
Net difference between projected and actual earnings on pension plan investments	1,345	—
Changes in proportion and differences between Commission contributions and proportionate share of contributions	—	657
Commission contributions subsequent to the measurement date of 6-30-19	1,216	—
Total	$ 3,268	$ 858

$1,332,000 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date of June 30, 2020 will be recognized as a reduction of the net pension liability in the Commission's financial statements for the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Commission's fiscal year following MOSERS' fiscal year as follows (in thousands):

Commission's Fiscal Year Ending June 30:	Amount
2022	$ 237
2023	119
2024	218
2025	82
Total	$ 656

Payables to the Pension Plan

The Commission had payables to MOSERS of $59,000 and $52,000 as of June 30, 2021 and 2020, respectively, included as a component of accrued liabilities due to contribution obligations related to compensation incurred prior to the fiscal year end.

9. Deferred Compensation Plan

The Commission's employees may participate in the State of Missouri Deferred Compensation Plan, a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. Participant account record keeping and processing services is administered by a third party. Under this plan, employees are permitted to defer a portion of their current salary until future years.

10. Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description. The State Retiree Welfare Benefit Trust (SRWBT), a cost-sharing multiple employer, defined benefit OPEB plan, is administered by the Missouri Consolidated Health Care Plan (MCHCP). Employees may participate at retirement if eligible to receive a monthly retirement benefit from MOSERS or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri. Financial information for the OPEB plan is included in MCHCP's CAFR which is available on the MCHCP website at www.mchcp.org.

Benefits Provided. Benefit provisions of the SRWBT provide postemployment healthcare coverage. Employees and their eligible dependents may participate in state-sponsored medical coverage in retirement based on plan criteria. Medical coverage, including prescription coverage, is provided through plan options including a qualified high deductible plan with health savings account and preferred provider organization plans (PPO 1250 and PPO 750). Health care benefits are funded through both employer and retiree contributions.

Contributions. Contributions are established and may be amended by the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. For each year of a retiree's service, 2.5% of the monthly PPO 1250 healthcare plan premium is contributed on behalf of the retiree up to a maximum contribution of 65%. The retiree pays the balance of the premiums. Participants contributed $43,300,000 and $51,242,000 toward their required contributions for the plan years ended June 30, 2021 and 2020, respectively. The Commission's required contribution rate for the fiscal years ended June 30, 2020 and 2019 ranged from 4.22% to 4.29% and from 3.41% to 4.65% of annual payroll, respectively, which totaled $229,000 and $221,000 in contributions in each of these years, respectively, actuarially determined as an amount that, when combined with participant contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the Commission were $221,000 and $253,000 for the plan years ended June 30, 2020 and 2019, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021 and 2020, the Commission reported a liability of $5,452,000 and $5,451,000, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020 and 2019, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At the June 30, 2020 measurement date, the Commission's proportion was 0.3061%, a slight decrease from 0.3082% as of the June 30, 2019 measurement date.

For the fiscal years ending June 30, 2021 and 2020, the Commission recognized OPEB expense of $321,000 and $143,000, respectively. At June 30, 2021 and 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 233	$ 67
Changes of assumptions	—	404
Net difference between projected and actual earnings on pension plan investments	16	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	100	475
Commission contributions subsequent to the measurement date of 6-30-20	229	—
Total	$ 578	$ 946

June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 193	$ 77
Changes of assumptions	—	238
Net difference between projected and actual earnings on pension plan investments	9	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	119	505
Commission contributions subsequent to the measurement date of 6-30-19	221	—
Total	$ 542	$ 820

$229,000 reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date of June 30, 2020 will be recognized as a reduction of the net OPEB liability in the Commission's financial statements for the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a reduction in OPEB expense as follows:

Commission's Fiscal Year Ending June 30:	**Amount**
2022	$ 81
2023	80
2024	83
2025	83
2026	86
Thereafter	184
Total	$ 597

Actuarial Methods and Assumptions

The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. Actuarial valuations are developed based upon economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience, are free of bias, and include demographic actuarial assumptions that are considered to be reasonable and within a best projection range as described by the Actuarial Standards of Practice. Future actuarial measurements may differ from the current measurements due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, change in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program cost contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation.

The cost method utilized for the valuation year June 30, 2020, was the entry age normal, level percent of pay. The following presents additional information as of the latest actuarial valuation:

Summary of Key Actuarial Methods & Assumptions

Valuation Year	July 1, 2019 - June 30, 2020
Actuarial Cost Method	Entry age normal, level percent of pay
Amortization method for Unfunded Actuarial Accrued Liability	30 years, open, level percent of pay
Asset valuation method	Market value
General Inflation Rate	3.00%
Discount Rate	4.38%
Expected Return on Assets	4.50%
Municipal Bond Rate	2.21%
Compensation/Salary Increases	4.00%
Health Care Cost Trend Rate (Medical and Prescription Drugs combined)	Non-Medicare: 5.75% in fiscal year 2020, decreasing by 0.25% per year to an ultimate of 5.00% in 2023. Medicare: 10.00% in fiscal year 2020, 22.0% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00 % in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027, decreasing by 1.00% per year until an ultimate of 5.00% in fiscal year 2030 and after.
Administration expense	$202 per person

The discount rate was changed to 4.38% from 5.24%. The expected return on asset assumption was changed from 5.50% to 4.50%.

Expected Return on Plan Assets

The MCHCP Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach to steadily increase the exposure of the SRWBT to higher asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back tested, and future assets are projected in all models.

The table below presents the asset allocation at June 30, 2020:

Asset Class	Target Allocation	Expected Real Return
Large cap stocks	17%	8.5%
Mid cap stocks	6%	8.8%
Small cap stocks	7%	8.8%
International stocks	4%	8.9%
BarCap Aggregate bonds	64%	2.4%
Cash equivalents	2%	2.1%

Rate of Return

For the fiscal year ended June 30, 2020, the annual money weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 3.01%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 4.38% was used to measure the total OPEB liability. This discount rate was determined as a blend of the plan sponsor's best estimate of the expected return on plan assets and the twenty-year high quality municipal bond rate as of June 30, 2020, the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal bond rate is used.

Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Commission's proportionate share of the net OPEB liability calculated using the discount rate of 4.38%, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.38%) or 1-percentage-point higher (5.38%) than the current rate:

	1% Decrease (3.38%)	Current Discount Rate (4.38%)	1% Increase (5.38%)
Commission's proportionate share of net OPEB liability (in thousands)	$ 6,535	$ 5,452	$ 4,604

Sensitivity of the Commission's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents the Commission's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Commission's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Commission's proportionate share of net OPEB liability (in thousands)	$ 4,588	$ 5,452	$ 6,555

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MCHCP comprehensive annual financial report.

11. Commitments, Contingencies and Concentrations

Leases

The Commission rents office space in Kansas City in accordance with a ten-year lease and St. Louis in accordance with an 11-year lease. These leases are accounted for as operating leases. Lease expenditures for the year ended June 30, 2021 and 2020 was $768,000 and $803,000, respectively. Future minimum lease payments for these leases are as follows (in thousands):

Year	Amount
2022	$ 697
2023	713
2024	728
2025	558
2026	309
2027	317
	$ 3,322

Federal and Other Assistance Programs

The Commission participates in various federal and other grant programs, primarily with HUD. In addition to an annual financial audit, the Commission is also subject to program audits, as deemed necessary by its federal and other grantor agencies that may result in disallowed costs to the Commission. The Commission's management does not believe such audits would result in any disallowed costs that would be material to the Commission's financial position at June 30, 2021.

During the current fiscal year, the Commission identified certain questionable rental assistance payments, for which some have been reported to the applicable agencies in accordance with regulatory requirements and others are pending investigation. The Commission's management does not believe the ultimate resolution of such questioned costs would be material to the Commission's financial position at June 30, 2021.

The Commission is the administrator of the Project-Based Section 8 program in the State. This contract, which terminates January 31, 2022, resulted in $157,390,000 in housing assistance payment revenue and expense activity for the fiscal year ended June 30, 2021. HUD may extend the current contract term and is expected to competitively bid this program administration at a future time.

Arbitrage Rebate and Yield Compliance

Federal income tax rules limit the investment and loan yields which the Commission may retain for its own use from investing the proceeds of certain tax-exempt bond issues. Excess yields, if any, payable to the U.S. Treasury are included in accounts payable. There was no liability payable as of both June 30, 2021 and 2020. The Commission has previously acquired certain participations in mortgage-backed securities that were financed with tax-exempt bond proceeds in which the interest participation percentage is lower than the principal participation percentage, which could result in the Commission having to originate future below-market loans or make a future yield reduction payment to the U.S. Treasury.

Litigation

From time to time, the Commission may be a defendant in legal actions related to its programs and operations. While the final outcomes of these legal actions vary, management is of the opinion that the ultimate liability, if any, will not have a material effect on the Commission's financial position.

COVID-19 Pandemic

The outbreak of 2019 coronavirus (COVID-19), which was recognized as a global pandemic in March 2020 by the World Health Organization, has prompted governmental entities, businesses, organizations, and housing finance agencies, including the Commission, to implement preventative and protective measures, including how business activities are conducted. The pandemic has resulted in an economic downturn and created uncertainty, volatility and disruption in financial and business activities. The extent of the pandemic's impact on the Commission's operations and financial condition will depend on future developments, which are uncertain, including, but not limited to, the duration and severity of the pandemic, the effects of the pandemic on the economy, the remedial actions and stimulus measures adopted by the federal government, and to what extent normal economic and business activities continue with minimal interruption.

Other

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. In addition, the Commission carries commercial insurance for workers' compensation. The Commission retains risk of loss; however, there have been no settlements which exceeded insurance coverage in the last three years.

The Commission has committed to mortgage loans funded by the operating fund net position of $42,340,000 that have not been disbursed as of June 30, 2021.

12. Subsequent Events

During the current year the Commission authorized Single Family Mortgage Revenue Bonds to provide funding for the Commission's First Place Homeownership Program. In accordance with this authorization, the Commission issued 2021 Series B bonds totaling $65,000,000 in August 2021.

In August 2021, the Commission received deposit of federal funds totaling $107,860,000 provided pursuant to the American Rescue Plan Act of 2021. These funds are available to provide emergency rental assistance.

13. Future Accounting Pronouncements

GASB Statement No. 87, Leases, effective for the Commission's fiscal year ending June 30, 2022, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The Commission is in the process of evaluating the impact of adoption of this statement on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations,* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer. This statement will be effective for the Commission's fiscal year ending June 30, 2023. The Commission is in the process of evaluating the impact of its adoption on the financial statements and expects to exclude the assets and liabilities related to its conduit debt from the statement of net position.

Required Supplementary Information

SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
(In Thousands)

Schedule of Commission's Proportionate Share of the Net Pension Liability

	Plan Fiscal Year Ended						
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Commission's proportion of the net pension liability or asset	0.3044%	0.3030%	0.3148%	0.3141%	0.2993%	0.28676%	0.27947%
Commission's proportionate share of the net pension liability	$ 7,178	$ 9,714	$ 14,613	$ 16,355	$ 16,698	$ 17,324	$ 17,740
Commission's covered payroll	$ 5,481	$ 5,856	$ 6,097	$ 6,182	$ 5,818	$ 5,571	$ 5,585
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	130.96%	165.88%	239.69%	264.55%	286.99%	310.97%	317.64%
Plan fiduciary net position as a percentage of the total pension liability	79.49%	77.62%	63.60%	60.41%	59.02%	56.72%	55.48%

Schedule of Commission's Contributions

	Commission Fiscal Year Ended							
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Required contribution	$ 993	$ 994	$ 1,035	$ 1,049	$ 1,132	$ 1,126	$ 1,216	$ 1,332
Contributions in relation to the required contribution	$ 993	$ 994	$ 1,035	$ 1,049	$ 1,132	$ 1,126	$ 1,216	$ 1,332
Contribution deficiency	—	—	—	—	—	—	—	—
Commission's covered payroll	$ 5,481	$ 5,856	$ 6,097	$ 6,182	$ 5,818	$ 5,571	$ 5,585	$ 5,825
Contributions as a percentage of covered payroll	18.13%	16.97%	16.97%	16.97%	19.45%	20.21%	21.77%	22.88%

Notes:

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Above schedules are ultimately required to show information for ten years. Only the data for years currently available is displayed.

Changes of Benefit Terms or Assumptions

Change in assumptions. The board reduced the investment return assumption used in the June 30, 2020 valuation to 6.95% with a 2.25% inflation assumption. In addition, for the June 30, 2020 valuation assumptions, the general wage growth was lowered to 2.50%, payroll growth lowed to 2.25% and the cost-of living adjustment lowered to 1.80%.

MISSOURI HOUSING DEVELOPMENT COMMISSION

SCHEDULES OF SELECTED OTHER POSTEMPLOYMENT BENEFIT INFORMATION
MISSOURI CONSOLIDATED HEALTH CARE PLAN
(In Thousands)

Schedule of Commission's Proportionate Share of the Net OPEB Liability

	Plan Fiscal Year Ended			
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Commission's proportion of the net OPEB liability	0.3424%	0.3245%	0.3082%	0.3061%
Commission's proportionate share of the net OPEB liability	$ 6,042	$ 5,686	$ 5,451	$ 5,452
Commission's covered payroll	$ 5,542	$ 5,245	$ 5,026	$ 5,187
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	109.02%	108.41%	108.46%	105.11%
Plan fiduciary net position as a percentage of the total OPEB liability	6.64%	6.90%	7.31%	8.24%

Schedule of Commission's Contributions

	Commission Fiscal Year Ended				
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Required contribution	$ 230	$ 224	$ 253	$ 221	$ 229
Contributions in relation to the required contribution	$ 230	$ 224	$ 253	$ 221	$ 229
Contribution deficiency	—	—	—	—	—
Commission's covered payroll	$ 5,542	$ 5,245	$ 5,026	$ 5,187	$ 5,381
Contributions as a percentage of covered payroll	4.14%	4.27%	5.03%	4.26%	4.26%

Notes:
Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.
Above schedules are ultimately required to show information for ten years. Only the data for years currently available is displayed

Changes of benefit terms or assumptions

The discount rate was changed from 5.24% to 4.38%. The expected return on asset assumption was changed from 5.50% to 4.50%.

Supplementary Information

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
Page 1 of 2
June 30, 2021
(In Thousands)

		Bond-Financed Programs		
	Operating	Multifamily	Single Family	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 12,658	$ —	$ —	$ 12,658
Investments	4,998	—	—	4,998
Mortgage investments	16,169	—	—	16,169
Accrued interest receivable	2,065	—	—	2,065
Accounts receivable - other	2,178	—	—	2,178
Prepaid expenses	339	—	—	339
Total Current Assets	38,407	—	—	38,407
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	327,731	4,748	97,784	430,263
Investments	94,643	5,654	2,529	102,826
Mortgage investments	257,568	77,633	1,108,829	1,444,030
Accrued interest receivable	517	268	3,387	4,172
Total restricted assets	680,459	88,303	1,212,529	1,981,291
Investments	199,974	—	—	199,974
Mortgage investments, net of current portion and allowances for loan losses of $40,523	113,846	—	—	113,846
Capital assets, less accumulated depreciation of $4,546	2,233	—	—	2,233
Total Noncurrent Assets	996,512	88,303	1,212,529	2,297,344
Total Assets	1,034,919	88,303	1,212,529	2,335,751
Deferred Outflows of Resources				
Refunding of debt	—	7	790	797
Pension	2,751	—	—	2,751
Other Postemployment Benefits (OPEB)	578	—	—	578
Total Deferred Outflows of Resources	3,329	7	790	4,126

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION *(Continued)*

June 30, 2021

(In Thousands)

		Bond-Financed Programs		
	Operating	**Multifamily**	**Single Family**	**Total**
Liabilities				
Current Liabilities				
Bonds and notes payable	$ 27,474	$ —	$ —	$ 27,474
Accrued interest payable	3	—	—	3
Accounts payable	2,650	—	—	2,650
Unearned revenue	1,318	—	—	1,318
Total Current Liabilities	31,445	—	—	31,445
Current Liabilities - Payable from Restricted Assets				
Bonds and notes payable	—	4,461	31,025	35,486
Accrued interest payable	—	506	4,920	5,426
Federal housing subsidy deposits	321,374	—	—	321,374
Accounts payable	409	—	—	409
Total Current Liabilities - Payable from Restricted Assets	321,783	4,967	35,945	362,695
Noncurrent Liabilities				
Pension	17,740	—	—	17,740
Other Postemployment Benefits (OPEB)	5,452	—	—	5,452
Unearned revenue	7,531	—	—	7,531
Payable from restricted assets				
Bonds and notes payable	—	71,005	1,000,276	1,071,281
Total Noncurrent Liabilities	30,723	71,005	1,000,276	1,102,004
Total Liabilities	383,951	75,972	1,036,221	1,496,144
Deferred Inflows of Resources				
Refunding of debt	—	63	1,048	1,111
Pension	763	—	—	763
Other Postemployment Benefits (OPEB)	946	—	—	946
Total Deferred Inflows of Resources	1,709	63	1,048	2,820
Net Position				
Net investment in capital assets	2,233	—	—	2,233
Restricted	358,676	12,275	176,050	547,001
Unrestricted, including designated balances	291,679	—	—	291,679
Total Net Position	$ 652,588	$ 12,275	$ 176,050	$ 840,913

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
MULTIFAMILY BOND - FINANCED PROGRAMS
June 30, 2021
(In Thousands)

	Multifamily (2000 Indenture)	Multifamily (2014 Indenture)	Other Multifamily (Conduit Debt)	Total
Assets				
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	$ 3,025	$ 1,723	$ —	$ 4,748
Investments	1,946	3,708	—	5,654
Mortgage investments	22,785	26,478	28,370	77,633
Accrued interest receivable	115	153	—	268
Total Noncurrent Assets	27,871	32,062	28,370	88,303
Total Assets	27,871	32,062	28,370	88,303
Deferred Outflows of Resources				
Refunding of debt	—	7	—	7
Liabilities				
Current Liabilities - Payable from Restricted Assets				
Bonds and notes payable	940	962	2,559	4,461
Accrued interest payable	436	70	—	506
Total Current Liabilities - Payable from Restricted Assets	1,376	1,032	2,559	4,967
Noncurrent Liabilities				
Bonds and notes payable	19,600	25,594	25,811	71,005
Total Noncurrent Liabilities	19,600	25,594	25,811	71,005
Total Liabilities	20,976	26,626	28,370	75,972
Deferred Inflows of Resources				
Refunding of debt	—	63	—	63
Total Deferred Inflows of Resources	—	63	—	63
Net Position				
Restricted	6,895	5,380	—	12,275
Total Net Position	$ 6,895	$ 5,380	$ —	$ 12,275

COMBINING STATEMENT OF NET POSITION
SINGLE FAMILY BOND - FINANCED PROGRAMS
June 30, 2021
(In Thousands)

	Homeownership (1995 Indenture)	Special Homeownership (2009 Indenture)	First Place Homeownership (2015 Indenture)	Total
Assets				
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	$ —	$ 3,522	$ 94,262	$ 97,784
Investments	—	—	2,529	2,529
Mortgage investments	—	64,296	1,044,533	1,108,829
Accrued interest receivable	—	206	3,181	3,387
Total Noncurrent Assets	—	68,024	1,144,505	1,212,529
Total Assets	—	68,024	1,144,505	1,212,529
Deferred Outflows of Resources				
Refunding of debt	—	—	790	790
Total Deferred Outflows of Resources	—	—	790	790
Liabilities				
Current Liabilities - Payable from Restricted Assets				
Bonds and notes payable	—	2,718	28,307	31,025
Accrued interest payable	—	212	4,708	4,920
Total Current Liabilities - Payable from Restricted Assets	—	2,930	33,015	35,945
Noncurrent Liabilities				
Payable from restricted assets				
Bonds and notes payable	—	45,794	954,482	1,000,276
Total Noncurrent Liabilities	—	45,794	954,482	1,000,276
Total Liabilities	—	48,724	987,497	1,036,221
Deferred Inflows of Resources				
Refunding of debt	—	520	528	1,048
Total Deferred Inflows of Resources	—	520	528	1,048
Net Position				
Restricted	—	18,780	157,270	176,050
Total Net Position	$ —	$ 18,780	$ 157,270	$ 176,050

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2021
(In Thousands)

		Bond-Financed Programs		
	Operating	**Multifamily**	**Single Family**	**Total**
Operating Revenues				
Interest and investment income				
Income - mortgage investments	$ 10,054	$ 3,204	$ 41,734	$ 54,992
Income - investments	3,382	230	198	3,810
Net increase (decrease) in fair value	(4,487)	(1,052)	(18,535)	(24,074)
Total interest and investment income	8,949	2,382	23,397	34,728
Income - MBS sales	724	—	—	724
Administration fees	6,440	—	—	6,440
Other income	6,619	(25)	2,787	9,381
Federal program income	199,062	—	—	199,062
Total Operating Revenues	221,794	2,357	26,184	250,335
Operating Expenses				
Interest expense on bonds	89	2,447	27,365	29,901
Bond debt expense and other fees	69	236	2,271	2,576
Compensation	10,429	—	—	10,429
General and administrative expenses	4,481	—	—	4,481
Rent and other subsidy payments	3,335	—	—	3,335
Missouri Housing Trust Fund grants	2,856	—	—	2,856
Federal program expenses	196,018	—	—	196,018
Total Operating Expenses	217,277	2,683	29,636	249,596
Income before transfers from Custodial Funds	4,517	(326)	(3,452)	739
Transfers from Custodial Funds	640	—	—	640
Change in Net Position	5,157	(326)	(3,452)	1,379
Net Position - Beginning of Year, as Restated	637,712	21,206	180,616	839,534
Interfund Transfers	9,719	(8,605)	(1,114)	—
Net Position - End of Year	$ 652,588	$ 12,275	$ 176,050	$ 840,913

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MULTIFAMILY BOND - FINANCED PROGRAMS
For the Year Ended June 30, 2021
(In Thousands)

	Multifamily (2000 Indenture)	Multifamily (2014 Indenture)	Other Multifamily (Conduit Debt)	Total
Operating Revenues				
Interest and investment income				
Income - mortgage investments	$ 2,125	$ 1,079	$ —	$ 3,204
Income - investments	118	112	—	230
Net increase (decrease) in fair value	(1,136)	84	—	(1,052)
Total interest and investment income	1,107	1,275	—	2,382
Other income	(25)	—	—	(25)
Total Operating Revenues	1,082	1,275	—	2,357
Operating Expenses				
Interest expense on bonds	1,726	721	—	2,447
Bond debt expense and other fees	55	181	—	236
Total Operating Expenses	1,781	902	—	2,683
Change in Net Position	(699)	373	—	(326)
Net Position - Beginning of Year	14,446	6,760	—	21,206
Interfund Transfers	(6,852)	(1,753)	—	(8,605)
Net Position - End of Year	$ 6,895	$ 5,380	$ —	$ 12,275

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SINGLE FAMILY BOND - FINANCED PROGRAMS
For the Year Ended June 30, 2021
(In Thousands)

	Homeownership (1995 Indenture)	Special Homeownership (2009 Indenture)	First Place Homeownership (2015 Indenture)	Total
Operating Revenues				
Interest and investment income				
Income - mortgage investments	$ 302	$ 3,174	$ 38,258	$ 41,734
Income - investments	1	1	196	198
Net increase (decrease) in fair value	(1,323)	(1,660)	(15,552)	(18,535)
Total interest and investment income	(1,020)	1,515	22,902	23,397
Other income	—	1,062	1,725	2,787
Total Operating Revenues	(1,020)	2,577	24,627	26,184
Operating Expenses				
Interest expense on bonds	29	1,919	25,417	27,365
Bond debt expense and other fees	4	19	2,248	2,271
Total Operating Expenses	33	1,938	27,665	29,636
Change in Net Position	(1,053)	639	(3,038)	(3,452)
Net Position - Beginning of Year	15,209	20,161	145,246	180,616
Interfund Transfers	(14,156)	(2,020)	15,062	(1,114)
Net Position - End of Year	$ —	$ 18,780	$ 157,270	$ 176,050